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# ***JPRS Report***

## **East Europe**

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# East Europe

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## UDMR Chief on Budapest Meetings of Hungarians

92P20390B Bucharest DREPTATEA in Romanian  
20 Aug 92 pp 1, 3

[Interview with Geza Domokos, president of the Democratic Association of Hungarians in Romania, by Ilie Paunescu; place and date not given: "The French and the Germans as an Example for Romanians and Hungarians"]

[Excerpt] [Paunescu] Mr. Domokos, recently there has been discussion about a congress in Budapest; the Hungarians in Romania intend to ask, at the congress, for territorial autonomy for the region in which they are a majority. I am relaying in a simplified fashion what has been written in the press, in order to give you an opportunity to explain the position of the Democratic Association of Hungarians in Romania [UDMR] on this issue.

[Domokos] I will begin with the World Congress of Hungarians. This Congress is meeting after more than 50 years. The last time was in 1938. Some 3,000-5,000 people from 35 countries will participate. The congress hopes to set up better management. It represents an attempt to express a new national identity at the end of the century and new forms of cooperation and of exchanging information among Hungarians who live in different places. I think that, so far, this has not been any problem for Romanians, and that each Romanian has an idea about how to establish closer links with Romanians in other countries of the world. Each Romanian is concerned about the identity of these people, how they could be helped to preserve their language and culture and how they could help their country. A short time ago, there was a meeting of the Romanian diaspora in Neptun. I believe that this was only the beginning. I believe that this will become an institution and forms and methods will be sought for close, fruitful, and highly spiritual contacts.

[Paunescu] There was a meeting in Neptun of Romanians living abroad, organized by the government. Can it be said that this World Congress in Budapest was organized by the Hungarian government?

[Domokos] The World Union of Hungarians is undergoing extensive changes. After the second world congress, it was diverted from its initial tasks and, gradually, was used by the Hungarian intelligence services to collect intelligence, to keep on eye on outstanding Hungarian intellectuals in different countries, and, as much as possible, to put the Hungarian organization abroad in the service of the authorities in Budapest at that time. This situation led to a deep crisis in the organization. In 1990, the reform of the organization began. Elections were held and a temporary leadership, which organized the current congress, was formed. A new program and statute are being drafted and a categorical break with the past few decades is being sought. Therefore, it is an independent organization. However, this organization receives assistance from the Hungarian state, and its congress, according to what I have read in the press, has been supported out of the state budget. The very fact that the prime minister of Hungary, Josef Antal, will give a welcoming speech at the opening of the congress and that the president of Hungary will give a reception means that the Hungarian state is involved. However, the World Union

of Hungarians is in charge of organizing the congress and preparing and carrying out the program.

[Paunescu] In other words, from an association which had fallen completely under the influence of the Hungarian intelligence service during the communist regime, it has become an independent organization that is encouraged by the current democratic government.

[Domokos] Yes, this issue is under discussion. This congress is called upon to put an end to the past and to put its entire activity on radically new bases, to put in charge uncompromised people who have no connection with the old state structures. It will be categorically anticommunist.

[Paunescu] Will it also be categorically anti-Romanian?

[Domokos] I can answer this question—categorically no!! The terms "anti-Romanian" and "antinational" are used very freely in Romania. If the Romanian government or one of the members of the government or one of the outstanding personalities of the Romanian state are criticized in the country or abroad, this is considered to be an anti-national act. When a Western newspaper says that the issue of national minority rights—I am referring not only to Hungarians but also to people of other nationalities—has not yet been resolved in our country, the response is that this is anti-Romanian. Therefore, I would like to use this phrase more carefully. At the symposium, which will address human rights and national minorities during the discussions, some opinions may be expressed and some recognition may be given to the fact that changes have been made in Romania since December 1989, even in regard to the nationality issue. Others will vehemently deny that these changes took place and will maintain that the situation is even worse than it was during the Ceausescu period. But I think that we are not concerned with the discussions but with the documents of the congress; I am talking about the congress of the World Union of Hungarians.

[Paunescu] Is there any other event?

[Domokos] There is. A completely separate event. The World Congress ends on 21 August. On 22 August, there will be a meeting of the World Union of Hungarians in Transylvania, in Budapest. It should be known that there are clubs and organizations of Transylvanians in many countries in Western Europe, in America, Latin America, and Australia.

Some of these have a more open orientation. They seek cooperation and receive information. Others are more categorical and more radical and might have extremist programs, with violent language on the issue. Therefore, this union, which is composed of a number of organizations in a number of countries, is diverse in its treatment of the problem of Transylvania and of the Hungarians there, and of relations with Romanians. In other words, there will be a meeting of these organizations. The press has reported and there has been considerable comment on the fact that a declaration of self-determination for Hungarians in Transylvania will be drafted and accepted at this meeting. I do not know what the draft of this text says and, also, the intentions of the authors are not known.

[Paunescu] Why don't you know? Isn't the UDMR a participant?

[Domokos] I have made many statements on this subject. An official public statement has been made to the effect that the UDMR, which is the representative organization of Hungarians in Romania, but which also has a political character, does not belong to either one of these organizations.

[Paunescu] So, the UDMR is not a member of the World Union of Transylvanians, which is holding its congress on the 22nd?

[Domokos] No, neither of the association of Transylvanians nor of the World Union of Hungarians, whose congress began on 19 August. This is a cultural, not a political, organization. We asked the Hungarian Cultural Association in Transylvania to represent public opinion in our country. In addition to this, there are professional organizations for women and youth that belong to this World Union. At its congress, no one has been designated to represent the UDMR. It has been said that Bishop Laszlo Tokes is the spokesman, and it has been said that a delegation will be present. This is inexact. There are UDMR members who belong to professional and cultural organizations in Romania and they will be taking part, in this capacity. There are invited guests, cultural and scientific personalities and representatives of the religious denominations, including some who belong to the UDMR or are even members of the leadership of our association. I think that I have explained this situation very clearly, and I am very sorry that I have not been understood, and that reports conflicting with this explanation have appeared in the press. Now, I will return to matter of the conference of this organization of Hungarians in Transylvania.

[Paunescu] Mr. Domokos, allow me to make something clear and permit me to use my own words here. I understand that there are extremists in every country in the world, from Le Pen in France, to give an example, to Vadim Tudor in Romania. It is natural that such extremists should also exist in Hungary, and I hope that they are not so primitive as Vadim Tudor. But, let me ask one question: Since you expect that extremists will take a position in Budapest that will be exploited by extremists in Romania, have you taken any internal measures to reduce or eliminate the risk that members of your association will support such modes of expression?

[Domokos] I am convinced that the members of the UDMR who will participate in the discussions will speak with realism, lucidity, and good faith. The UDMR program, first of all, requires them to act this way. The program of our association clearly states that we respect the territorial integrity of Romania and the sovereignty and independence of the country, and that it is a duty of the UDMR members to make constructive efforts for good coexistence between Romanians and Hungarians. Now, I am certain that during the past two years there have been discussions in the UDMR about the tasks of the UDMR and the strategy that must be adopted, not to mention the structures for organization and management. Thus, differences of opinion might appear in our organization, but I believe that we can rule out the appearance of extremism, xenophobia, chauvinism, or lack of loyalty to the Romanian people, on the part of extremists as aggressive as the ones to whom you referred.

[Paunescu] Then let us consider the very probable hypothesis that, beginning yesterday, when the congress opened in

Budapest, such expressions will be stated by other participants in the two conferences—the congress and the meeting of Transylvanians. It is also reasonable to expect that these extremist attitudes will be exploited for propaganda purposes in Romania, especially since we are in the middle of an election campaign. Do you think that there is any chance that we can annihilate the effects of such attitudes among the Romanian population? I am thinking, in particular, of the episode at the time of the local elections, when, after a statement of our government, passions were stirred up once again and the elections in many localities in Transylvania, especially in Cluj, were obviously influenced. This has resulted in the designation of Mr. Funar as mayor of the city of Cluj, with all its consequences, with all the bizarre initiatives of this picturesque character—euphemistically speaking.

[Domokos] It would be a big mistake if the organizers of the World Congress of Hungarians were to have a narrow view regarding the fate of the Hungarians; if these organizers were to forget that, in the Danube basin, where the Hungarians are in the minority in several countries adjacent to Hungary, including Romania, a peaceful life, a future, the preservation of an identity, and the cultural and economic development of these communities cannot be conceived of without relations of collaboration, friendship, peace, and mutual respect for the majority nationalities. In this sense, I believe that any manifestation or any document that does not take this demand of history into consideration does not serve the cause of the Hungarians nor the cause of peace and understanding in the region in which we live. I hope that this will be understood.

As for extremist excesses and their echo in Romania, this is the problem that worries me. I believe this is a problem that is a matter of concern for those people who, at the present time, are active in politics or are faced with a very important choice, such as participation in the elections. The example you gave in connection with local elections is significant. This danger of the distortion of the election campaign should be avoided. The essential issue of our society, regardless of the ethnic group to which we belong, is to choose between change and the preservation of the old structures. On the basis of concrete signs until now, it can be noted that this element from Budapest will be used for the purpose of manipulating social awareness. It would be regrettable if the democratic forces—conscientious people, the segment of Romanian public opinion that has a cultural policy and is the most valuable—were to allow itself to be influenced by this manipulation, by this state of mind, which is trying to create itself. Therefore, I believe that what is happening these days in Budapest should be viewed with clarity, in the natural context of the events. Of course, the attitude of the officials will be very important but I do not think that they will be able to contradict, once again, the statements, which have been made so many times and on so many occasions, about respecting international conventions and the obligations which all states, including Hungary, have to their neighbors. I believe that the best thing for us to do would be to listen and to try to get as much information as possible about the two Budapest congresses. We hope that the press, television, and the radio will be objective. Therefore, let us collect as much information as possible and then let us use the different means that are available to express our opinion and to send our message. But, in any case, we



must not allow ourselves to be governed by passion. We must not lose our lucidity, and, in particular, the electorate in Romania, faced with a great examination process, must not be influenced by a passing moment, which does not have any relative political importance.

[Paunescu] The democrats in Romania and, in particular, the Democratic Convention of Romania, would not be worthy of their name if they did not tend toward a policy similar to the policy in France and Germany during the past few decades, a policy which has led to harmony and friendship between two separate nations which, until recently, had been enemies for a long time. We, in the Democratic Convention, do not see anything to prevent us from taking the first steps to achieve a similar agreement between Hungary and Romania. Why would the Romanians and the Hungarians be less European, less advanced, and less civilized than the French and the Germans? We live on a continent which has, of course, an old tradition of culture

and civilization and we are convinced that we will be able to rise above the present impasse and to direct our relations toward that harmony, toward that detente in relations, and, ultimately, toward friendship between the two countries that would only benefit from such a reconciliation.

[Domokos] Mr. Paunescu, I am pleased to hear these words from you. My sentiments are the same. We had a discussion in the Democratic Convention about this issue, an exchange of opinions, and an exchange of information.

[Paunescu] I participated in it and I am happy that you remember it.

[Domokos] I was sorry to read in some of our publications some almost dramatic accounts of clashes and conflicts that did not take place. It was in fact a dignified and respectable discussion of issues we both mentioned in today's conversation. [passage omitted]

**Style, Initiatives of Foreign Minister Ganev***92BA1287A Sofia 168 CHASA in Bulgarian 28 Jul 92 p 8*

[Article by Vladimir Pavlov: "Minister Wanders Aimlessly in the Diplomatic Labyrinth, and Foreign Ambassadors in Sofia Are Outraged at His Habitual Tardiness"]

[Text] The past eight months have shown unambiguously that the present leaders of the government and of the Ministry of Foreign Affairs do not possess either ideas, concepts, a plan, or the personnel to formulate and implement a modern Bulgarian course of foreign policy. The present course of foreign policy has been defined quite reasonably as a "series of improvisations," "a lack of synchronization," "the ignoring of professionalism," and so forth, and every passing day shows how frivolous is the definition "the first diplomat" of the Republic, a minister without training and without experience in this serious and delicate area, gave that diplomacy is not a profession.

The greatest activity was manifested during the first months, when the fruits of the work completed by the previous leadership of the Ministry of Foreign Affairs were only being plundered. Essentially, the first independent and, as proved to be the case, shortsighted act was the visit of the Foreign Minister to Serbia.

Many ideas were put forward, but the majority of them were fruitless, unprofessionally prepared, and not coordinated ahead of time with the necessary departments, and demonstrated an aimless wandering in the diplomatic labyrinth. They pursued self-interested foreign policy motives and again created an unreal image of our country. The preparation of the treaty between Bulgaria and Russia and the activation of our ties to the other states of the former Soviet Union were forgotten. The incompetent Bulgarian proposals for a tripartite meeting of Bulgaria, Turkey, and Greece, and for our being some kind of "intermediary" between Turkey and Greece, something at which even the United States and NATO have not succeeded, were rapidly forgotten.

The improvement in relations with Turkey has been at the expense of a worsening of collaboration with Greece, where, unfortunately, they are already talking again about "a threat from the north."

However, the idea of a "Balkan Helsinki" is a unique "peak" in and of itself because world experience convincingly shows the bankruptcy of such an initiative in a region in which there is armed conflict. It may isolate the region from the common European process again. As Deutsche Welle points out, "Such a goal is far beyond the capabilities of Mr. Ganev."

We also observe a turning back in areas in which progress was achieved in the past two years, thanks to the efforts of a number of political forces, leaders, and government officials. No more attempts are being made to find a consensus on the most important foreign policy questions—a constant and intensive process in normal states. Foreign policy struggles have been allowed to be reflected negatively on the international positions of Bulgaria. The coordination and agreement on the part of the Ministry of Foreign Affairs in the triangle of government—parliament—currently has deteriorated. There were more than a few cases that showed a lack of synchronization in the foreign policy views and

activities of those institutions. Hardly anything is more harmful to the national interest than the creation of an impression of multicentrism and a lack of direction in foreign policy, something that is observed in our country now. The elimination of partisanship in the ministry, successfully carried out according to the decision of the Grand National Assembly, was actually ended. The minister also announced a middle administrative echelon for "political appointments."

Reciprocity in foreign policy visits is no longer maintained. Organizational and protocol gestures are not a secondary matter in diplomacy. The course of foreign policy is conducted not only by the minister but also at all levels in Sofia and foreign capitals. The changes in the structures, functions, and leadership in the Ministry of Foreign Affairs, unknown to the public, create insecurity in the operation and greatly hinder the foreign embassies in Sofia, which for a long time have not known who has what responsibilities in the apparatus of the Ministry, and turn to it less and less often. The decreasing interdepartmental coordination, the unprofessionalism, and the incompetence of many newly appointed officials at different levels are leading to diplomatic failures and blunders beyond the border and in our country—irregularity in the work of Bulgarian embassies and of the Ministry itself; the giving of contradictory instructions to our missions abroad; the nomination of the minister as a candidate for president of the next session of the General Assembly of the UN, in spite of the fact that he does not possess even one of the qualities indicated by the adviser of the prime minister and does not meet the requirements for this post, and so forth.

In such a delicate area as diplomacy, there is no place for behavior that indicates a lack of culture and disrespect for your partners and all those around you. But gestures of this kind are becoming increasingly more frequent: Airplanes regularly wait for our foreign minister, ambassadors accredited to Sofia are outraged at the habitual tardiness of the "eternally busy" minister for prearranged meetings, and so forth. By itself this bad form may seem to be a trifle and an isolated fact, but, in diplomacy, everything is important and has its own precise place and purpose because the government, the ministry, and its leadership may be discredited.

Of course, to a great degree this happens because of the unprofessional personnel policy in the Ministry of Foreign Affairs, which does not answer our national interests. It is instructive that no such purge in diplomacy was carried out in any East European country. It is not by accident that it was defined in our country as a "purge" of our foreign service, which, during the past two years, had begun to be formed on the basis of the confirmed international practice in the direction of professionalism. In only a few months, a number of Bulgarian ambassadors were recalled abruptly and without motive; the old diplomats who form the backbone of the diplomatic service were removed. The liquidation of the managers on a middle-management level, whose training cost the entire government dearly, cannot at the present time be justified by any "revolutionary" considerations. The expulsion of these experts will have long-lasting negative consequences for our diplomacy because there will be no one to teach the profession to the newly enlisted young people, even if they are trained, capable, and honest. The so-called institutional memory of the department, which is

highly valued in every cultured nation, especially in the area of foreign policy, has also been lost. With the departure of many people, formal and informal contacts and acquaintances and information have been irretrievably lost for the country.

People with no special theoretical training and without practical experience, either in the area of foreign policy or in administration, rushed into the Ministry of Foreign Affairs, often with little or almost no work experience and without even the necessary language knowledge. In addition, they always took only high leadership posts and diplomatic ranks—something without precedent in world diplomatic practice—and they occupied positions in all foreign missions. The dispatching of ambassadors of advanced age also does not contribute to the image of the new Bulgaria abroad—and at the moment when, quite unnecessarily, our embassies as well as the central apparatus are already drained of blood. In addition to competence, training, and practice, diplomacy is common sense, life experience, ethics, and a specific style of governmental behavior. Diplomacy is not narcissism, affected manners, demagoguery, empty words and ideas, and pretensions to be a specialist in everything, "qualities" that some participant or another in a local meeting may possess, but not experienced foreign diplomats and statesmen.

It is maximally clear that the experiment in the area of foreign policy, carried out not without the complicity of almost all basic political forces, has proved to be unsuccessful and needs to be stopped. Unfortunately, it will require several years to normalize things and correct the numerous mistakes allowed in only eight months, and to regain the lost positions. The only chance for Bulgaria on the path to our complete integration into Europe is in an active, well-thought-out, coordinated, and professionally conducted foreign policy.

**Economic Adviser Criticizes Privatization Agency**  
92BA1286A Sofia 168 CHASA in Bulgarian 28 Jul 92 p 7

[Interview with Boyan Slavenkov, economic adviser to the president, by Aglaya Shamlieva; place and date not given: "The Supervisors Are Incompetent, Obedient, and Cowardly"]

[Text]

**The Position of the Lawyers Has Always Depended on Who Pays How Much**

[Shamlieva] This agency was born ailing....

[Slavenkov] It was intended to become an institution with preparatory functions. It was supposed to train managers, prepare documents, and facilitate the privatization process as much as possible. That did not happen. It became mired in various auxiliary activities, engaged in senseless sociological studies, and wasted money, and its leadership went on long out-of-town assignments.

The current membership of the supervisory council of the agency does not indicate competence, efficiency, work, or transparency, the features it should have had, as recommended by foreign experts and politicians. Why do I say it is incompetent? It does not include economists, with the exception of Reneta Indzhova and Svilen Purvolov. Seven

other members have reached retirement age, and most are over 60. Yonko Kalpazanov is a medical statistician. His job was to describe death cases. There is one mathematician. Therefore, when I use the word "incompetent," what I have in mind is its low economic standard, although as jurists they would be excellent. However, who would they defend here, whose attorney would they be? A private individual cannot defend the interests of the state.

[Shamlieva] Let us speak of specific issues.

[Slavenkov] Three weeks ago, I said on Radio Free Europe that I am not pleased by either the supervisory council or the chairman who will be selected. I knew his identity quite well. It was a choice between Katsarski and Buchvarov. Think of it, in the Bulgarian language, both names mean the same [cooper]. My translation is that both are unsuitable individuals. I understand there must be lawyers, but this time the lawyers group overplayed its hand. I am indignant as a citizen, as an economist, and as an intellectual. Who is making the selection and how, on the basis of what criteria, and what kind of policy is this? Even under socialism there was some kind of cadre policy that made it possible, although with difficulty, for the able to advance. I cannot understand the current criteria. People who are somewhat clear about privatization—and there are only a few such people in Bulgaria—were simply not invited. The fact that they no longer want to go up the power ladder is a different matter. It is thus that the entire intelligentsia withdrew from ruling and management. We are now forced to create experts in the field of privatization. I have been dealing with privatization for two years. I specialized in the United States. However, this does not mean very much in the case of such an exceptionally complex process.

[Shamlieva] Could it be that you are simply insulted because your candidacy was not approved by the Council of Ministers?

[Slavenkov] In the course of my visit to Moscow, 2,000 kilometers away from Dondukov Boulevard, I learned that my name had been used without even asking me. There was speculation. I did not want to be a part of it, and no one offered it to me. I understand that the Council of Ministers subsequently rejected me. The most likely reason was that I was the president's man. I now realize that I should have displayed greater interest because I, along with two or three other people, would have simply scattered away those gerontocrats.

Now I have been asked to become the executive director, backed by real power. I cannot agree, given this composition of the supervisory council.

[Shamlieva] Is the situation hopeless?

[Slavenkov] They simply do not know what it is all about. Try the following experiment: Ask them three words, three key words about privatization. You will see how laughable it will be. That is why they will have to be told every single day that they are ignorant. They should know that they will be the puppets in the hands of those who put them in power. The supervisors are incompetent, and they will also become cowardly because what will be of greatest interest to them will be their incomes. However, will they look at privatization? Privatization will take as long as the conversion to communism did. Supervisors have been elected for three

reasons: because they are incompetent, because they are obedient, and because they are cowardly. I cannot speak more specifically. And this applies to an agency that should be the most independent institution in the state.

[Shamlieva] It is possible that everyone selects for his team people with whom he is familiar and whom he trusts.

[Slavenkov] Yes, but anywhere else in the world there would be a feeling of shame. Here there is no such feeling. The supervisory council will be unable to accomplish anything. Officially, its purpose is to draft a privatization program. This is beyond its possibilities. It will deal with the work the way some lawyers who are also representatives are dealing with their own business. Because of that, the chairman has already made it known that his meetings will begin at 1600 hours. This means that all day long they will be trying to make money, to act as lawyers to private individuals, and, in the afternoons, they will be lawyers for the state. How does that occur? To begin with, a lawyer must not take sides. A lawyer must defend whatever he is being paid to defend. In this respect, we economists are total idealists. We have always believed in some kind of theory and have thought of values shared by the entire society.

[Shamlieva] In other words, have we finished with privatization?

[Slavenkov] In my view, this supervisory council and its chairman can only discredit the process. I could make even more substantive conclusions because we must consider the consequences of discrediting the process of privatization. Nothing will happen other than the definitive collapse of the reform in the change of system because nothing can be accomplished without privatization. The process in Bulgaria is paradoxical. We have had a reform for the past year and a half, which is profound in terms of its intent but has not brought privatization. I would like to believe that all of this was circumstantial, but I am finding it increasingly difficult to accept that.

[Shamlieva] A key person had to be chosen this week: the agency's executive director. That did not happen.

[Slavenkov] Naturally, the personality of the director is particularly important. He will be pressured by this elderly supervisory council. The chief has substantial rights: he could replace, dismiss, or appoint the executive director. The long shadow of the supervisors will stretch over the executives, who will also feel the influence of those who control privatization in Bulgaria. Let us hope that the director will be an economist so that, to a certain extent, he can compensate for the incompetence of the legal supervisors.

[Shamlieva] It is as though the people who, for more than two years, have been writing, teaching, and describing privatization and how to make it happen in Bulgaria have lost hope.

[Slavenkov] Bulgaria currently has no structural strategy, yet privatization must be subordinate to such a process. There is no structural policy, and the law has no strategy because it is limited. Finally, given this leadership and chairman, the agency will also have no strategy. It will engage in various petty sales, it will give a little bit of money to the budget, and it will give a little bit to the workers. It will yield to pressure from all sides. I see nothing good. I

have said in the past that paradoxes can be explained, but the forces that trigger them will make our path to a market economy the longest and the most difficult. There are no conditions for privatization, there is no good law, and now, with this agency, the chickens have come home to roost.

I predict frequent replacements, an unstable spirit, and future conflicts in the Agency for Privatization.

### Method for Compensating Former Owners Discussed

92BA1295A Sofia DELOVI SVYAT in Bulgarian 31 Jul 92 p 3

[Article by Mariya Georgieva: "Compensation Bonds for Former Owners"]

[Text] The draft law on compensation was submitted by national representatives Veselina Rasheva and Valentin Karabashev. It calls for payment of compensation to individuals whose property cannot be returned in its true dimensions and who have not been compensated in a different manner.

The compensation will take place with compensation bonds that will be interest-bearing securities made to the bearer. They cannot be redeemed and will remain in effect for a period of 10 years from their issuance, a special text stipulates.

The interest on the compensation bonds is variable and equal to the basic interest rate. It will be computed as of the time of the compensation, according to the draft law.

The authors suggest that the compensation bonds be used as a payment instrument for purchasing stock and shares owned by the state, state enterprises or portions of separate enterprises, assets of closed state enterprises, and land from the state land fund. The value of the compensation bonds at the time of their use shall be equal to the sum of the nominal value and the accumulated interest.

Requests for compensation and evaluation must be filed through the mayor of the township to the Agency for Privatization, according to the authors. The request must describe the property and include proof of ownership. Accepted as proof may be notary acts, balance sheets, and descriptions drafted at the time the property was confiscated, section records, extracts from tax registers, and account books. If no written proof is available, the petitioner may submit a notarized statement on his right to ownership and is held liable for making false statements.

What will the subsequent mechanism involve? According to the authors of the draft law, within one month of receipt of a petition for compensation, the mayor must send it to the Agency for Privatization. Also within one month of its receipt, the agency must rule on the petition, and an expert evaluation of the value of the property must be made within three months.

Within one month of the enactment of the evaluation, the Agency for Privatization must issue to the interested individuals compensation bonds with a nominal value equaling 100 percent of the assessed value up to 10 million leva, 70 percent of the value up to 20 million leva, and 55 percent of the value for sums exceeding 20 million leva.



The authors propose, in accordance with this draft law, that compensation be granted to individuals whose property was nationalized on the basis of the Law on the Nationalization of Private Industrial and Mining Enterprises; the 1947 Law on Banks; the Ukase on Mines and Ground Resources; the Law on the Nationalization of Freight and Navigation Vessels; the Law on the Purchasing of Large Farm Inventory; the Law on the Purchasing of Commercial Inventory; the Law on the State Monopoly of Tobacco; the Law on the State Monopoly of Petroleum Products; the Law on Cinematography; the Law on the Monopoly of Alcohol and Trade in Fruit Brandies and Wines; the 1951 Ukase on Purchasing Premises and Equipment for Wine Making and Brandy Making; the 1946 Law on the State Insurance Institute; and the 1948 Law on the Expropriation of Large Urban Built-Up Real Estate.

### Grain Production, Consumption Forecasts

92BA1294A Sofia DELOVI SVYAT in Bulgarian 31 Jul 92  
p 1

[Article by Marin Boyadzhiev: "1,100,000 Tons of Wheat for Bread. Will It Suffice?"]

[Text] Two years ago the farmers harvested almost 5.5 tons of grain used to make bread. This year, the harvest will not exceed 3.2 million. Production per decare will not exceed 330 kilograms, which was the average grain yield in the mountainous and semimountainous areas, inasmuch as, in Dobrudzha and Thrace, the average harvest per decare was 500 kg. We could logically ask ourselves: "What is the direction followed by our priority agriculture if the harvest ends with one-third less grain for feed and human consumption?"

However, Vladislav Kostov, deputy minister of agricultural development, land reform, and land use, is not in the least concerned by the low yields of grain for bread or other farm crops.

"Hunger? I categorically affirm that there will be no hunger before the next crop. We have ensured enough grain to feed the population: 1.1 million tons of wheat is sufficient for bread. Bread consumption has declined by more than 30 percent. Today, no one purchases bread to feed his livestock. No one buys more than two loaves and then carelessly throws leftovers into the garbage pail. Everyone calculates precisely how much he will consume so that nothing is wasted. Bread is expensive! I cannot say whether it will become even more expensive. In any case, the purchase price of grain for bread will not be reflected in the price of flour."

The harvest is nearing its end. No more than 100,000 decare of barley remain to be harvested out of the 3.3 million decare under that crop. The wheat is also being methodically harvested. All in all, more than 50 percent of the 10 million decare of wheat—for grain and feed—has already been harvested. The Veliko Turnovo area will be the first to complete this most important agricultural project. In

the interest of truth, we must point out that the best organized harvest is in the Burgas and Ruse areas, and the worst in the area of Mikhaylovgrad. What is prevailing is the sober consideration of the Bulgarian peasant, who knows that one day of hard work will feed him for an entire year. He is concerned essentially with harvesting the results of his toil. Work in the fields is from early dawn until late evening. The people are worried by the low yields of 320 kg per decare. This was an average that was reached at least 20 years ago, yet it was believed that an average of 500 kg of grain sold at 1,800-2,000 leva per ton would make it possible to cover expenditures and prepare for the next crop.

We know the purchase price of grain. The government froze the minimum purchase price at 1,100 leva per ton. However, bidding may start as of that point. The question is who will be doing the bidding because the Grain Company, Ltd. has no such intentions. In Bulgaria, grain purchases are a matter of state policy. Like it or not, the government has decided that the state will subsidize the harvest. About 400 million leva will be paid out of the treasury to cover the difference in terms of interest rates because the commercial banks will grant preferential credit to private and cooperative farmers. It is already known that 198 million leva will be granted to the Grain Company to store the grain in its warehouses. It is the obligation of all grain companies to purchase 1.1 million tons of wheat for bread. Such are the computations of the Agriculture Ministry and the Council of Ministers in terms of bread requirements. The peasants will not pay for storing the grain in the state warehouses. Thank God that decision was made because, otherwise, wheat and barley would have been rotting in attics, cellars, and unsuitable warehousing premises.

Is the minimal purchase price of 1,100 leva adequate? Is it consistent with the purchasing of grain from neighboring countries?

"Yes," Deputy Minister Vl. Kostov answered. "We have taken into consideration the international wheat prices. The upper limit is not set, and it could be raised as much as desired, as long as there are merchants who are offering more money. However, I would advise anyone in the grain trade to purchase now because its price in a couple of months may be raised 20 to 30 percent."

"Will there be any quantitative restrictions in feed exports, considering that the size of the herds has declined substantially?"

"According to Council of Ministers Resolution 114, there will be 250 tons of feed grain for export per producer. The Bulgarian farmer should make his own computations as to how much he can export and how much he should keep to feed his livestock."

Minister Georgi Stoyanov is of the opinion that the Bulgarian grain producers must invest capital in hog-breeding complexes, which will be privatized. This would both make them interested in feeding the animals and encourage their obligation to supply them regularly with feed grain. That is the best possible way to maintain the herds.



**Government Agrees To End Pact With Foundation**

92CH0861A Budapest HETI VILAGGAZDASAG  
in Hungarian 25 Jul 92 p 15

[Unattributed article: "Agreement Between Soros and the Government"]

[Text] The Hungarian Government made an agreement with Gyorgy Soros, the well-known American businessman, on terminating their agreement signed in May 1989 that "the Soros Foundation will financially support Hungarian programs in excess of the allotted annual \$3 million; the Hungarian state will make the forint equivalent of the foreign exchange in excess of \$3 million, transferred by the Soros Foundation, available to the MTA's [Hungarian Academy of Sciences] Soros Foundation Committee." According to the closing agreement, signed on behalf of the government by Ministry of Education State Secretary Attila Kalman, Gyorgy Soros will buy the 9 Nador Street, Budapest, building (the Zichy Palace) for 340 million forints for the Central Europe University Foundation, and the Hungarian Government will lower the price of the building by the 180 million forints that it owes the Soros Foundation. The agreement must still be approved at the Thursday cabinet meeting.

**Impact of New Laws: Budapest Air Improving**

92CH0861C Budapest UJ MAGYARORSZAG  
in Hungarian 30 Jul 92 p 5

[Unattributed article: "Limiting Downtown Traffic; Air Pollution Is Decreasing"]

[Text] Thanks to the new traffic pattern introduced recently on the southern part of Vaci Street, transit traffic has been barred from that street and detoured to the Belgrade Wharf, which has better ventilation. As a first step in limiting downtown traffic, the protection of the area's environment was the primary objective of the change in the traffic pattern, said Budapest Mayor Gabor Demszky at his press conference yesterday. The detour may be annoying to those who regularly drive through that area, but at any rate, the fact that now only 30-35 cars per hour pass through, as opposed to the earlier 1,000, is a relief for residents and those who work here; naturally, that also shows up in the data of the area's air pollution.

Demszky explained that the development of that part of downtown will enable the much less developed southern part to come up to par with the northern areas in this decade. The renovation of facades can begin as planned, followed by the laying down of a fancy new road surface. That will make it possible for that section of Vaci Street to finally become a pedestrian street. In the meantime, thanks to City Center, Inc., the building of a modern commercial center and a park on Fovam Square will begin. In order to provide adequate parking, a four-level underground parking garage for 176 cars will also be built.

District V contributed 50 million forints for the area's development. And the 4 million forints provided by City Center, Inc., will be used for the establishment of the Downtown Foundation, to which primarily local firms will be asked to give support.

### Drought Effects on Various Regions, Products

92EP0623B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 18 Aug 92 p 1

[Article by Edmund Szot: "Severe Consequences of the Lack of Precipitation; Only Fruit Will Be More Plentiful"]

[Text] This year's harvesting is virtually over. Tadeusz Glogowski, director of the department of crop farming of the Ministry of Agriculture and the Food Economy, estimates that 3 to 4 percent of grains are yet to be harvested. Therefore, we may estimate this year's grain yields and harvest with a degree of accuracy for the first time.

Thus, the average yield of the four grains this year amounted to 25 quintals per hectare, that is to say, almost 7 quintals less than last year, whereas the combined harvest of grains will not exceed 21 million tons, and will be 6 million tons smaller.

The greatest drop in yields occurred in areas affected by the drought, that is, in northern and western voivodships. In Koszalin Voivodship, the average yields of the four grains are estimated to be 14.3 quintals per hectare, in Slupsk Voivodship 16.6 quintals per hectare, in Suwalki Voivodship 17.3 quintals per hectare, in Pila Voivodship 18.3 quintals per hectare, and in Gorzow Voivodship 18.6 quintals per hectare. With the exception of Przemysl Voivodship, grain yields are lower in the remaining voivodships this year than in the 1991 season.

The drought has brought about a drop in the yield of almost all plants. (only fruit, whose harvest will be greater than last year and greater than the long-term average, will be an exception). The yield of rapeseed is 3.5 quintals lower, and its crop dropped from 1.1 to 0.8 million tons. The yield of potatoes this year is estimated to be around 150 quintals per hectare (one year ago, it was 168 quintals), whereas the yield of sugar beets will not exceed 300 quintals, thus even smaller than in 1991, which was a poor year for this plant. In total, the crop of sugar beets will come to barely 6 million tons! It is estimated that the yield of vegetables will be 15 percent lower.

Deputy Minister Janusz Bylinski said: "The overall supply of crop products will be 14 percent smaller, and that of animal products will be 6.7 percent smaller. The combined gross product of agriculture will be 8.4 percent smaller this year."

We must reckon with a marked drop in the herd of hogs, poultry, and cattle, as they wrote with foresight in a ministerial note. The conclusion was self-evident, given that the crop of grains and potatoes is so many percentage points smaller, and that meadows and grazing grounds have almost entirely withered in a part of our country.... We should now think about how to contain the consequences of the drought and what to do in order to prevent a dramatic setback to food production, which has always resulted in social tensions in Poland.

Director Glogowski reassured us, meaning only the direct consumption of grains: "Consumption will not suffer because of a smaller harvest." Compared to the total harvest, direct consumption is indeed small, because it amounts to barely about 5.5 million tons. However, people do not live by bread alone. Unfortunately, we must reckon with the probably considerable growth of prices for animal

products. The magnitude of such growth will certainly be higher than that of the drop in consumption.

The Ministry of Agriculture and the Food Industry has already approached the Ministry of Foreign Economic Cooperation, seeking that duties on the imports of ingredients to produce fodder be suspended until the end of June 1993, and if this would prove inadequate, also that the duty on the import of ready-made fodder be canceled. In addition, the ministry intends to seek a possible suspension of duties on the import of grain. It is highly likely that all of these proposals will have to be implemented.

The expansion of the planting of winter grains should be the next step. It is precisely a drop in the yields of spring grains that was the principal factor in the reduction of the total crop. Of course, it is hard to accomplish this by administrative methods. What remains is persuasion and specific assistance which should be given to the farmers right now, or before the fall planting begins. Farmers want credit on preferential terms to purchase certified seeds, fertilizer, and pesticides.

### Voivodships Affected by Drought and Levels of Severity

Extremely Serious	Serious
Szczecin	Kalisz
Koszalin	Sieradz
Slupsk	Lodz
Gdansk	Plock
Elblag	Skierniewice
Gorzow Wielopolski	Warsaw
Pila	Ostroleka
Bydgoszcz	Lomza
Torun	Suwalki
Wloclawek	Olsztyn
Konin	Ciechanow
Poznan	Biala Podlaska
Zielona Gora	Katowice
Leszno	Krakow

### Chaos Prevails in Foreign Exchange Regulations

92EP0582A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 13 Jul 92 p 1

[Article by Aleksandra Bialy: "The Ministers' Race"]

[Text] Changes in the position of finance minister are taking place so quickly that there is no way to develop new regulations concerning currency liberalization during one term. With the changes in positions, the range of the proposed amendment is also changing. First there is a decision to liberalize the regulations, then a decision to make currency exchange with foreign countries more rigorous. Every time a new amendment is developed, there is an executive order concerning general currency liberalization. In practice, such a situation has existed for more than two years. Currently, the fifth bill is being worked out. The work on it has not yet ended, but now there is supposed to be a new minister.

Under the regulations currently in effect, cashiers at railway stations still run the risk of committing currency crimes whenever they sell train tickets to foreigners for zlotys. The PKP [Polish State Railroads] should have an appropriate license inasmuch as the currency law now in effect says that natives providing transport services are to take payment from foreign parties in foreign currency.

Polish airplanes, which transport the greatest amount of cash on board, provide another example. For the time being everything is taking place in accordance with the law. The currency laws in effect permit native persons to take out any amount of foreign currency that comes from hard currency accounts. But there is one catch: this money may not be taken out for the purpose of conducting economic activities. The enormous quantity of goods purchased in foreign shops that people who own dollars return with are rarely meant for individual consumption, for they can be seen on street-corner stands.

The head of the Customs Administration at the Warsaw airport confirms the existence of this phenomenon. A few unfinished versions of the amendment to the general currency liberalization provide for the limitation of the sum to the amount of foreign currency that may be withdrawn from an A account. However, in the meantime no one is keeping track of the amount of foreign currency crossing Polish borders.

Small-scale traders, who take out foreign currency (as much as \$10,000) in accordance with the law, in other words from the currency account of an economic entity, are in any case running the risk of committing a crime. They are violating the law whenever they take more than 5 million zlotys with them without an individual currency permit. However, it happens that the sum in the regulation is not enough to pay customs charges at the border and more must be taken.

Large corporations that conduct foreign trade are also complaining. To take out a loan of more than one \$1 million, current regulations require that they obtain an individual currency permit. These may be obtained only at the main office of the National Bank of Poland. Getting the appropriate document takes time, and trips to the capital are burdensome. Companies dream of raising the magical figure of 1 million zlotys.

Examples can be multiplied. However, it must be hoped that the new finance minister will lose this race with the regulations, and that before he is replaced, he will accept the bill on general currency liberalization, which has been worked out over the last six months, when it takes on a final form.

### **Financial, Political Problems in Military Viewed**

92EP0617A Warsaw *PRAWO I ZYCIE* in Polish No 32, 8 Aug 92 p 7

[Interview with Jerzy Milewski, secretary of the National Defense Committee, by Zdzislaw Zaryczny; place and date not given: "A Difficult Subject: The Army"]

[Text] [Zaryczny] According to the executive order of the president of the Republic of Poland, regulating the operations of the National Defense Committee-National Security Council, it should meet at least once every two months. Yet nearly half a year has passed between its two successive meetings, on 5 February and 30 July. Why?

[Milewski] The National Defense Committee (National Security Council) is a small group of leading Polish politicians and high officials who take decisions on the consensus principle. To be sure, formally it is a majority of votes that is decisive, but in practice, no member votes. Unless we have a chance to reach a consensus, convening a meeting is pointless or, relatively speaking, even impossible. That is what happened during the first half of 1992, when there was considerable dissent between the Committee's chairman, that is, the president, and its deputy chairman, Prime Minister Olszewski and the then Minister of National Defense Parys.

[Zaryczny] What were the consequences of that dissent?

[Milewski] The most significant and perilous turned out to be the "freeze" on the reform of the Ministry of National Defense and on the restructuring of the Polish military. Please bear in mind that we are not yet in the stage of discussion of the future shape of the military of the Third Republic. In July 1991, the interministerial committee headed by the then Chief of the Office of the Council of Ministers Krzysztof Zabinski completed its work. The committee's proposals were accepted first by the National Defense Committee and then by the Council of Ministers. The application of the reform program was halted, however, by a deliberate decision of the government leadership.

[Zaryczny] Were economic problems the reason? Was it the budget deficit? Or was it the rapidly worsening social situation?

[Milewski] I think that the reason was simply that they awaited the outcome of parliamentary elections, and of the formation of a fully democratic Sejm and of a coalition government. But an additional reason was that they were awaiting the appointment of the first ever civilian minister of national defense. However, that new government and new minister blocked reforming the military. Matters began to take a bad turn. The military still retains the structure inherited from the Warsaw Pact, yet nothing has been done to change this structure and make the military operationally autonomous and capable of defensive operations on national territory. The orientation toward political, economic, and military integration with West Europe also should be adopted, considering that, as is known, our aim is membership in NATO, but in that respect nothing has been done other than mouthing rhetoric. Any further prolongation of the present situation may permanently impair the structure of the military and aggravate the mood of frustration and resignation, especially among the young officer cadre, as well as promote the disappearance of the feeling of duty. This would be very dangerous to the military. This is something that has happened before in our history and led to a bad ending.

[Zaryczny] Prime Minister Hanna Suchocka learned about it all at a meeting of the National Defense Committee, did she not?

[Milewski] I can only state that all the matters presented at the 30 July meeting of the National Defense Committee were discussed and decided upon. There were no problems in reaching a consensus.

[Zaryczny] Am I right in guessing that Minister of Finance Jerzy Olszewski had the most to say? After all, the plans you mentioned cannot hang in an economic vacuum.

[Milewski] Not quite, the issues raised at that meeting of the National Defense Committee in principle do not entail immediate financial consequences.

[Zaryczny] The members of the National Defense Committee probably are aware of the "agonizing" budget of the Ministry of National Defense, are they not?

[Milewski] They are. We must, however, reform our military on the basis of the budget that we have, that has been passed by the Sejm, and it is not known whether even it will be completely implemented. The fact that there is a fund shortage does not mean that reorganization should be abandoned. On the contrary, it should be carried out all the more rapidly and energetically. Let me give you an example: The transfer of military units from one location to another, for example, alongside the eastern frontier, is not possible until we build new barracks there, but the organizational structure of the Ministry of National Defense and the General Staff, as well as of the military districts, divisions, etc., can and should be changed with the object of, among other things, reducing the ministry's personnel by one third, and thus saving a little money.

[Zaryczny] The new "Defense Doctrine" and "Main Assumptions of Security Policy" discussed by the National Defense Committee were worked out at the National Security Bureau, which you are directing. I am curious to know whether these documents postulate, for example, the existence of a strong domestic arms industry.

[Milewski] Our doctrine would place most emphasis on the existence of a prosperous, strong, and happy Poland, but that would be mere verbiage, so it cannot be mentioned. At any rate, we included in the draft of the doctrine the assumption that the existence of a domestic arms industry is one of the necessary attributes of the independence and defense autonomy of our country. But that is just a draft, which will be amended and complemented in many ways. The revised version will be reconsidered by the National Defense Committee, and about two months will pass before we can speak of completing the work on the "Defense Doctrine." Undoubtedly, Poland's emergence from its economic crisis and its membership in West Europe now undergoing a process of integration are our most important objectives also from the standpoint of national defense and national security. In other words, a destitute Poland, a Poland plunged into chaos may become an unstable and weakly defended territory and may fairly readily lose the independence it had gained so recently. Fortunately, no one is menacing our country at present; no one wants to conquer us, and no one either is addressing to us any territorial claims. In principle, Poland at present is secure.

[Zaryczny] At present, but what about the future? Could anyone have foreseen two years ago what was going to happen in Yugoslavia? And who would have expected a year ago the collapse of Czechoslovakia?

[Milewski] The situation in Central and East Europe remains unstable, and its further unfolding is hard to foresee. To meet the challenges of the future, we shall strengthen cooperation within the "Vysehrad Triangle." A high level of such cooperation, exerting a stabilizing effect on Central Europe, would make our three countries credible candidates for membership in NATO. We certainly have a better chance by cooperating than by acting separately. Of

similar significance are our treaties with Ukraine, Russia, and Belarus. In general, our "Defense Doctrine" presupposes Poland's defense self-sufficiency in coping with possible local conflicts, and stresses political solutions as a way of protection against dangers ensuing from large-scale international crises.

[Zaryczny] What else, in addition to this new doctrine, does the present leadership of the Armed Forces have to offer to professional military cadre? How does it intend to consolidate the military and raise its morale? Predictions of vetting and reduction in force are hardly improving the mood of the officer corps.

[Milewski] You are bound to be familiar with the declaration of Minister Janusz Onyszkiewicz stressing the need to rejuvenate the cadre and open paths of advancement to young officers but opposing, for example, the Senate version of the vetting of the officer corps. Let me say that similar views on this matter are also held by the other members of the National Defense Committee. They compare the fact that some military used to belong to the former PZPR [Polish United Workers Party] to the fact that some civil servants used to belong to the CRZZ [Central Council of Trade Unions], the communist trade unions. In the past, nearly everybody belonged to such trade unions, because otherwise he would not be even eligible for low-cost vacations funded by the FWP [Workers Vacation Fund]. A similar situation existed in the military: practically all the generals and higher officers had been PZPR members. Thus this fact cannot be viewed as a criterion of reliability of the military and the principle of collective responsibility cannot be applied. Should the Sejm pass the same vetting law as that passed by the Senate, we will have to view it as a law liquidating our army, at least for a time. So far as I am concerned, I do not believe that such a law will be passed, but the very publicity of its discussion is already causing an unhealthy ferment among the military.

[Zaryczny] A ferment of rebellion?

[Milewski] No. Rather a ferment of doubt, resignation, and simply lack of energy for doing anything. The more so considering that some things are even worse than the verbal derring-do of demagogues. I mean here material things, the everyday reality within the military units. I mean not only the low salaries or the shortage of housing for young officers but also the equally injurious lack of funds for training. Tankers are not riding and pilots are not flying owing to the gasoline shortage; artillery men are not firing owing to the lack of funds for ammunition, etc. If, for objective reason, a country has too little money, it must reduce its military to a size such as can guarantee at least a minimum of modern training for soldiers. Maintaining a large army with little money results in our not having any army capable of defending the country at all.

[Zaryczny] On the one hand, we have missile troops whose personnel in active service has not once launched a missile owing to the lack of funds. We have dying garrison cities, such as Okonek in Pila Voivodship, unemployment among cadre families, and growing areas of destitution. On the other, we hear promises such as "You will get F-16's, Italian naval cannon," etc. On which side lies the truth about our military?



[Milewski] Both perceptions are correct. Thus there is the vacant Okonek, which used to be the site of divisional exercises but now at most companies exercise there. There are insufficient funds for elementary combat training of subunits. But also true are dreams, especially of pilots. Who among them would not want to fly an F-16?

[Zaryczny] Will they?

[Milewski] Perhaps the Americans will lease to us a squadron of used F-16's so that our pilots could polish their skills. But before equipment of that quality becomes part of the regular armaments of our military many years are bound to pass.

[Zaryczny] There are matters that take a lot of money but there are others in which common sense and goodwill are sufficient. I am referring, for example, to the question of command over the army and the national defense system. Do jurisdictional conflicts still continue?

[Milewski] I do not think so. Once the cabinet of Ms Prime Minister Suchocka was formed, or even earlier, considering that Waldemar Pawlak, the previous prime minister, appointed Janusz Onyszkiewicz to head the Ministry of National Defense, the cooperation between the president and the minister of national defense has become smooth. Still, some jurisdictional boundaries remain blurred, because the relevant laws have not yet been correspondingly clarified. Thus, we remain unclear about the precise meaning of command over the Armed Forces of the Republic of Poland, the manner in which the president is to exercise that command, and what are the president's specific powers and responsibilities in that respect. Since these matters are nowhere precisely defined, the goodwill of politicians is decisive. If that goodwill exists, mutual understanding and cooperation are possible, regardless of the imprecise laws. If that goodwill does not exist, a minister of state may reject such cooperation, as was done by Mr. Parys.

[Zaryczny] The Sejm has passed the "Small Constitution," and soon now the time will certainly come for passing a package of laws governing the military, which has been pigeonholed for a year already. Will that be the beginning of the end of difficulties?

[Milewski] While waiting for general changes in legislation, it is necessary to follow the provisional laws and amend the regulations in force in order somehow to attend to urgent problems of the military. The "Small Constitution" has already cleared up a number of questions. But what matters most is the new personnel appointments and the return of the goodwill needed for cooperation.

[Zaryczny] It is not surprising that a newspaper headline ran as follows: "Harmony Returns to the National Defense Committee." Thank you for the interview.

**New Government Economic Program Criticized**  
92EP0582B Warsaw RZECZPOSPOLITA (ECONOMY  
AND LAW supplement) in Polish 13 Jul 92 p 1

[Article by Piotr Aleksandrowicz: "Concrete Facts and Figures in Three Months"]

[Text] The economy, entrepreneurs, and employees got little concrete information from the statement of Prime Minister Suchocka and the questioning of the ministers. Acceptance

of the premise that it would take three months to prepare the government's social and economic program was undoubtedly influential in this. But from the pronouncements of some ministers, one might think that one should not expect sudden movements in the state's influence on the economy. This means that structural reforms, the outline of which appeared toward the end of 1989, will continue gradually in the context of constant bickering with interests groups and the understandable, though not always realistic, expectations of society.

In her speech, Hanna Suchocka unequivocally identified the market economy as a formative principle of the social and economic system. It is worth recalling that Waldemar Pawlak mentioned the possibility of holding fundamental organizational debates, which would delay change in an obvious way. The obstacle here is that "social market economy" is, in the case of Poland, a term more related to the sphere of ideas and values than to reality. There is no social market economy in poor countries that have a national income like Poland's.

The state must reduce the range of its economic activities more quickly and create a framework for market competition. Therefore, an outline of general principles sounds reasonable. It is important to announce that the budgetary burden in support of the economy will not be increased, and to state that the time has passed to demand damages and attempt to satisfy the claims of society. These attempts are destined to fail, and they make it impossible to make social and economic progress.

At the same time, there were some doubtful assertions both in Prime Minister Suchocka's statement and in the statements of the ministers. Here we mention only the following:

- the announced program of contract credit seems controversial, as do some other measures in housing construction disclosed in Andrzej Bratkowski and Irena Herbst's memorandum. The desire to create housing opportunities for middle-income families also seems rather unrealistic today.
- Numerous proposals for tax relief and special credits (for investment, exports, construction, agriculture), which have appeared in the statements of a few ministers, are also of doubtful benefit, and furthermore they seem to continue to deny the real state of the budget.
- The announcement that, in order to improve the agrarian structure state lands should be leased to farmers instead of being sold, seems incomprehensible.
- Several ministers emphasized the significance of eastern markets. Decisions cannot, however, boil down to the taxpayer financing from his own pocket exports to the insolvent states that remain after the disintegration of the USSR.
- Nor is it clear what the candidate for minister of industry had in mind when he said that privatization is a tool that should be applied when it would be effective. History has proven that private property is more efficient than state property. Privatization is therefore indispensable, particularly in a country in



which state ownership of industry dominates so distinctly. But in many cases the effects of privatization appear indirectly a long time after it has been carried out.

To sum up, in the next few months entrepreneurs may expect only the beginning stages of the program of enterprise debt reduction. The program of general privatization will be continued. However, further changes, including reforms in the budgetary sphere, will take time. More details and timetables may be expected only in three months.

### **Role of Newly Formed Enterprise Department Noted**

92EP0620A Warsaw GAZETA PRZEMYSLOWA I HANDLOWA in Polish No 32-33, 9-30 Aug 92 p 7

[Interview with Zbigniew Eysmont, minister for enterprise promotion, by Andrzej Kalinowski; place and date not given: "Promoting Private Enterprise" under the rubric "Private Industry and Trade"]

[Text] [Kalinowski] What role is your office to play in the government's economic policy?

[Eysmont] The establishment of this new ministry is intended, among other things, to emphasize the importance of the private sector, of private enterprise, which has not heretofore been properly considered in any government program. What Polish businessmen miss—and by now they number some 2 million—is a general strategy for the nation's economic growth, a strategy that would integrate the objectives and directions of the work of the government, the state, with the intentions of entrepreneurs and accord them a worthy place in the nation's economy.

Thus, it is an aim of the government to lay the proper foundations for the growth of private enterprise. This has nothing in common with some cheap attempt at winning over the business community, catering to parochial interests, but rather is an element in the ongoing transformation of our country. If we are to aspire toward capitalism, private ownership and the activities of private entrepreneurs are an important element of the changes occurring in the economy. This also signals the society that the private entrepreneur is not necessarily a crook or profiteer who wants to cheat the state and others, but is a lasting and important factor in economic life.

A businessman is not only a person who employs many people, but also someone who desires to do, create, or produce something, to earn a living for himself and his family, on his own, with his own funds. Such individuals should be provided with suitable conditions for action so that they may exist and develop. In creating such a program, an allowance should also be made for the needs of the state, for the direction of actions of the government, so as to assure common interests. A situation in which businessmen do their own thing in isolation from the government's economic strategy is not to be tolerated. Here the purpose must be common, the strategy of action must be common, and forces need to be consolidated.

[Kalinowski] What measures does your office intend to take in order to accomplish this purpose?

[Eysmont] Above all, attempts should be initiated to integrate the business community and identify its needs. The point here is not to listen to grievances. I am familiar with them, because I have experienced them on my own skin for 18 years as a businessman. I assumed this office in order to explore solutions, to formulate a positive program, not on the scale of individual interests but on the macro scale.

Here the first item on my agenda would be to bring order into the operating conditions of private business as regards the related legislation, ways of obtaining capital, and the powers and scope of activities of the government agencies and institutions, that is, to remove the obstacles to private business growth and eliminate the existing confusion. Only then can legal acts and laws be considered and their effect on the growth of private enterprise evaluated, thus revealing what can be changed and whether such changes will benefit the interests of the businessman and the state.

Some order is needed, for example, as regards ways of obtaining foreign financial assistance available for the growth of the private sector. The sources of this assistance have not been catalogued, and the activities intended to obtain and utilize it have not been coordinated. These funds should not be utilized fortuitously, but in a manner consistent with the interests of the state and its economy, upon consulting representatives of the business community.

[Kalinowski] This requires overcoming many parochial interests.

[Eysmont] Indeed, certain barriers already are arising. I must regretfully state that little has been done so far to utilize entrepreneurial spirit effectively. Measures to promote private enterprise have been relatively ineffective because they were taken by separate departments and teams at various ministries. Suddenly now everybody woke up and realized that something could be accomplished in this domain, and they are independently making gestures that have nothing in common with the overall strategy of the government.

I observe a similar attitude at many ministries; they seem to think that the point is personal interests rather than national interests. Such an approach disturbs me greatly. I am a manager, not a politician; it is effective action that matters to me.

Many matters need to be put in order, with regard to both relevant legislation and the operating conditions of small businesses. So far there has not been any proper monitoring or analyses of these matters. There has not been any study of the conduct of privatized or private enterprises as a function of their branch of industry, or region; or of the presence of large plants in their region, of the financial performance of these plants, of the desirable system of taxation; and of the extent of the taxation burden on businessmen, that critical mass which, once exceeded, prompts them to cease operating or to start evading the law. Familiarity with these aspects would be a major accomplishment and would enable us to identify the most effective way of promoting private enterprise.

[Kalinowski] How do you perceive in this connection the role of businessmen's organizations?

[Eysmont] By now there exists a large number of such organizations. They should serve as liaisons between us and

the business community, so that we could jointly work out the optimal solutions promoting the growth of private enterprise to its own advantage and that of the state. This is a highly responsible task, because the activities of businessmen's associations affect tremendously the growth of small businesses in different regions, cities, and townships. These organizations should consolidate their activities and cooperate. So that we all would feel convinced that what we are doing is right and necessary and ensues from a thorough analysis rather than being a momentary impulse. Otherwise our actions always involve the risk of error, which may sometimes cost us much more than even doing nothing. This accounts for the importance of businessmen's associations as partners of the government.

[Kalinowski] Do you support compulsory membership in chambers of industry and commerce?

[Eysmont] My views on this are somewhat detached. I believe that businessmen should associate themselves in some or other organization, council, artisans' chamber, or other body, but I would think twice before committing myself to say that they must belong to some one particular organization. It is these organizations themselves that should act so as to be attractive to businessmen. This should be a natural and not a forced marriage.

For 40 years we used to have an organization without which nothing could be accomplished in this country. Well, for God's sake, all right, let us make it mandatory for businessmen to belong to professional organizations, but let us not specify to them just which associations they must join. Let the decisive factor here be the programs of discrete associations, the forms of obtaining assistance and cooperation.

[Kalinowski] Are not you apprehensive that the establishment of an office like yours for the promotion of private enterprise might prompt an avalanche of requests for intervention in matters relating to the conduct of private businesses?

[Eysmont] This office is not able to intervene on behalf of the average businessman. That would require an entire army of employees rather than our present staff of 30 allocated to us. This office is intended to cooperate with organizations and associations of businessmen. It is precisely with these that problems and comments are to be consulted, since they are supposed to represent private entrepreneurs.

But this does not mean that we do not intend to establish an intervention taskforce. Such interventions, however, are to be confined to eliminating obstacles to the operation of small businesses on a scale broader than that of the individual. We approach such matters in a strategic manner so as to cause the standing of the private sector to be a permanent and significant element of life in this country.

[Kalinowski] In your opinion what has changed in recent years in Polish business? I mean, are we, as some people claim, being menaced by rapacious capitalism on the Vistula?

[Eysmont] No, although I believe that the very nature of business is somewhat aggressive. A businessman who is not aggressive either retreats or goes bankrupt. But I would not term it rapacity or greed: Such are the rules of the game, and they have nothing in common with hate or brutality. To

engage in business means to start something new rather than to stay put. Just ask any businessman who has accomplished something and you will find that he works 12 hours daily or longer, as long as needed to operate his business. I would hardly call it rapacious capitalism. I think that this term refers to some chaotic, uncontrolled, undirected, and dynamic growth which needs to be ordered and oriented in a direction consistent with the national interest before this term can no longer apply.

So far in Poland it has been easy to make money by producing any kind of shoddy goods, because demand used to outweigh supply. That was easy to do, day by day, by exploiting legal loopholes or other fortuitous factors. Now it turns out that people have to learn how to produce, how to work, how to trade, and how to benefit from foreign experience. Business in this country has become as difficult and onerous as the world over. If we also consider that the absence of stable laws complicates investing, the market game here is more risky. Likewise, we are losing out to foreign competitors with regard to both prices, quality, and technology. But this does not mean that nothing can be done! We have our own Polish entrepreneurs and some have already scored notable business accomplishments. All that is needed on our part is to provide them with the conditions for more effective operation. And that precisely is one of the duties of the government and my office.

### **Coal-Industry Production Reviewed; Forecast Made**

#### **Long-Term Outlook**

92EP0613A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 28 Jul 92 p II

[Article by Anna Wielkopolska: "The Present and the Future"]

[Text] The energy industry in Poland is a major branch of the economy, generating 10 percent of the GDP and employing more than 600,000 people. A team of experts appointed by the Upper Silesian Mining Chamber has drafted a program for the country's coal market and energy demand until the year 2010. The principal conclusions of that program are presented below.

#### **Little and Inefficiently**

The International Energy Agency views the Polish energy industry as excessively energy-intensive and too much dependent on a single energy source, black coal, while at the same time failing to utilize natural gas resources and depending, as in the case of crude petroleum, on a single importer of natural gas (the countries of the former USSR). Energy prices, kept for many years at a low level, continue to be below an economical level despite their recent major increases. The years of resource plundering and wasteful energy generation have degraded the natural environment.

Owing to the economic recession and the exceptionally mild winters in the last three years, fossil energy consumption has dropped markedly—to 144 million metric tons of so-called adjusted fuel (combined resources of fossil energy) in 1990 from 187.2 million in 1987. The consumption of the principal energy carrier, black coal, plummeted the most. In 1987 we consumed 164.8 million tons of that coal, whereas

three years later we consumed only 120 million tons. The level of coal extraction also dropped, to 140 million tons in 1990-91 from about 193 million in 1986-87. Likewise, coal exports have been gradually declining, from 36.1 million to 29 million tons in 1990, and to about 20 million tons in 1991.

The above processes have resulted in a decline in per capita energy consumption in Poland. As recently as in 1987 that consumption had been at the same level as that of the developed countries of the OECD. It is characteristic, however, that the energy-intensiveness index in Poland has always been higher than in the highly industrialized countries. Their economies are on the average 2.5 times as energy-efficient. Similar proportions apply to energy consumption cost, which in Poland is higher by a factor of 1.8 than in the OECD countries.

These differences are most marked in the utilities sector, which in Poland is based exclusively on coal, whereas in the highly developed economies it is based on gas fuels, electrical energy, and petroleum products (solid fuels there account for less than 10 percent of total energy consumption). In the industrial sector the uneconomical indicators are due to obsolete technologies. The indicators of environmental pollution similarly characterize our country, although in 1990 there was some improvement in the quality of power coal, which reduced by more than 20 percent the emission of dust and sulfur dioxide (irrespective of the decrease in coal consumption).

The conducted analyses point to two possible scenarios of the future energy situation in this country: the low scenario, forecasting an increase in the demand for fossil energy to the level of 177.2 million tons in 2010, and the high scenario, forecasting 209.7 million tons. The structure of consumption of discrete fossil fuels will gradually shift. The share of coal in meeting the demand will drop to about 55 percent in 2010 from the more than 75 percent at present. Given a concomitant increase in energy consumption, coal extraction will hover at a stable level of about 140-150 million tons annually. Among the other energy carriers, natural gas will play a major role; its consumption is to increase from the present 11 billion cu m to about 20-25 billion, while the consumption of crude petroleum is to rise from the present 16 million tons to 25-26 million.

By contrast, world forecasts point to a reverse trend in the consumption of energy carriers: the share of solid fuels will increase from 28 to 30 percent; natural gas, from 20 to 23 percent; and nuclear energy, from 5.6 to 7.1 percent; while the share of liquid fuels will drop from 39 to 32 percent. These trends are reflected in the steady growth of black coal exports, which are forecast to increase at the rate of 3 percent annually. Here a distinction should be made between power coal and coking coal: While the demand for the former will grow, coking coal will definitely decline in importance. The main coal producers will continue to be the United States, Australia, the Republic of South Africa, and South America. Coal prices in imports to Europe will not change markedly in the next few years, but after 1995 they are expected to increase by 2.3 percent annually.

Analyses conducted by Polish Power Grids, Inc., indicate that most of the existing black coal-burning power plants and electrothermal plants will be able to continue operating

after their modernization or reconstruction (on the additional necessary condition that the coal burned be of better quality, that is, that its ash and sulfur content be lower). This forecast is of great importance to the maintenance of transport, commercial, and financial ties between coal mines and the existing power plants.

In addition to the energy industry, another major user of black coal is the coking industry. The peak output of coke was attained in 1979: 19.4 million tons. Owing to the gradual decapitalization of the coking industry and the shrinking demand for coke, that output has dropped to 13.4 million tons in 1990 and 11.4 million in 1991 (on utilizing 80 percent of production capacity).

At heating plants the changes in coal consumption are expected to be minor, with some increase (at present 6 million tons; in the year 2000, 6.5 million). On the other hand, the share of coal burned by the railroads will decline and, and the remaining consumers, too, including utilities, will also burn less coal.

Coal exports are expected to increase. Given optimal conditions—complete competitiveness of Polish coal—these exports may rise to the level of 50.4 million tons in 2010. But this forecast hinges on an upsurge of exports to the Federal Republic of Germany, which may yet collapse owing to sharp price competition.

In such a situation certain prospects are offered by the eastern market. In addition, there may be a special growth in exports owing to small shipments to the ports of North Europe, where owing to the flexibility of coal supply by small ships, the Polish purveyor may gain a privileged position. The actual growth in exports may reach a level of 25-30 million tons annually.

The recession and the rise in coal prices have resulted in lower demand among domestic users. The until recently binding export ceilings have affected identically shipments to foreign customers. A rescue program for the coal mines with their drastically downgraded facilities is being prepared by the State Black Coal Agency. The program stresses chiefly building 25 plants for the concentration of power coal breeze—plants which already are under construction at 13 mines. In addition, the construction of four coal desulfurizing plants is envisaged.

Possibilities for expanding the extractive capacity of coal mines will arise chiefly at:

- Budryk coal mine, still under construction.
- Three new mines which will soon reach projected extractive capacity.
- Some 20 energy-coal mines with deposits of more than 100 million tons.

About 30 other mines have to be classified as mines with a low extraction level owing to the size of their deposits and mining and geological conditions, or if they are coking coal mines.

About 15-18 additional mines, at which coal reserves are slowly becoming depleted and the mining and geological conditions are particularly unfavorable so as to add to extraction cost, may be classified as disappearing mines (with six already in the shutdown stage).

In connection with the eventual growth in demand by domestic and foreign customers and the ongoing depletion of mine resources, the possibility of developing new mines also is considered. Development projects for seven such mines have already been prepared. These mines are: Janina III, Czeczott II, Paruszowiec, Wisla, Spytkowice, Zator, and Mikolow-Zachod. But the construction of new mines is circumscribed by the need to neutralize the excessively mineralized mine waters, coordinate development seams with neighboring mines, desulfurize coal, and increasing the extent of deposit surveys.

### Improving Quality

By 1995, 21 mines expect to open concentrating plants, and afterward four more.

Altogether, these plants will concentrate about 57 million tons of coal breeze, which will be processed into about 43 million tons of concentrates with an average calorific value of more than 3,000 kJ/kg, less than 18 percent ash content and about 0.3 sulfur content.

These investments will cost about 4,600 billion zloty [Z], of which the outlays made and to be made in 1992 alone are estimated at about Z1,080 billion.

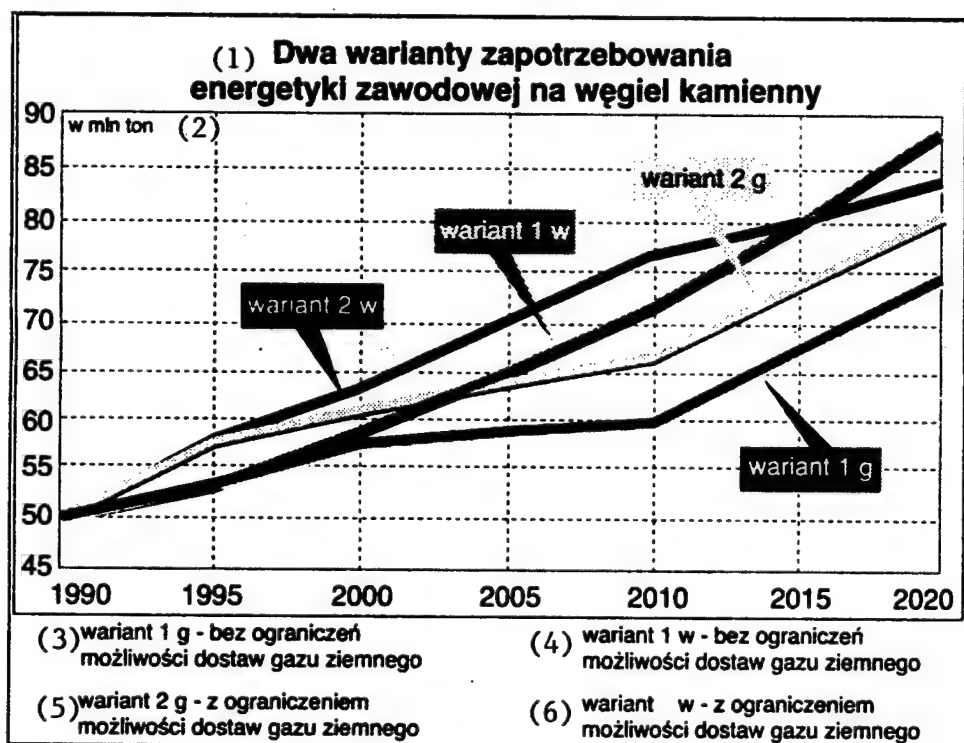
In addition to improving the quality of coal, a basic problem related to streamlining extraction costs is increasing labor productivity and reducing production cost. Owing to the use of modern technologies, this goal can be accomplished by concentrating extraction. As a result of the changes expected in that domain, extraction may increase to 4,000, 6,000 or even more tons of coal daily.

Extraction costs themselves are chiefly determined by mining and geological conditions. The unit cost of the coal sold in 1991 was at the level of Z317,133 per ton. Of this amount, wages accounted for Z139,917; material expenses, more than Z57,000; depreciation, about Z23,000; and energy, about 17,000; with the remaining expenses estimated at Z80,000. This cost, of course, differs at different mines, ranging from Z200,000 to Z600,000. At mines put under receivership it ranges from some Z370,000 to Z1,200,000 per ton.

At the same time, unit cost was much higher than the contract price, which in 1991 was Z279,181 per ton.

### Profits?

In 1991 the mines derived an income of altogether Z41,276.6 billion from coal sales and spent Z46,129 billion (cost of sales of output and services plus payment of turnover tax).



### Key:

1. Two Variants of Anticipated Power Industry Demand for Black Coal
2. In millions of tons
3. Variant 1 g, without restrictions on the possibility of shipping natural gas
4. Variant 1 w, without restrictions on the possibility of shipping natural gas
5. Variant 2 g, with restrictions on the possibility of shipping natural gas
6. Variant 2 w, with restrictions on the possibility of shipping natural gas



State subsidies totaled Z5,900 billion, which served to offset the operating deficit and some of the special losses (for example, the interest paid on deferred loan payments). Allowing for the need to pay the income tax, the wage-increase tax, and the tax on assets, by certain mines (which performed well financially on the gross side), the overall financial performance of the coal mining industry was negative. When the subsidies for investments and housing construction are included, the overall amount of state subsidies reached Z6.8 trillion, that is, Z48,670 per ton of coal extracted.

### Rescue Measures Described

92EP0613B Warsaw ZYCIE GOSPODARCZE in Polish  
No 31, 2 Aug 92 pp 1, 6

[Article by Krzysztof Mering: "Coal Glut in the Mines"]

[Excerpts] Coal. For years it used to be the subject of conversations on long winter evenings. Would the supply last or not? Or perhaps the frost might paralyze transportation? Despite the rise in extraction, there had been coal shortages now and then. Nowadays, in the middle of an exceptionally sultry summer, coal has again become the subject of newspaper headlines. This time there is too much coal.

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This may seem paradoxical but the reasons for the shortages and oversupply of this principal Polish raw material are similar. The transition from political slogans to the inexorable laws of the market has enabled us to see with the naked eye the organizational and economic deficiencies in everything that concerns coal. It is getting hot, and not just because the high temperatures are breaking the records. [passage omitted]

Last November the minister of industry and trade met with representatives of the energy and fuel sector, but they could not agree on a united position. So that was how we entered 1992. Power plants are operating at 40-50 percent capacity owing to the decline of the Polish industry and perhaps also—who knows?—to conserve fuel.

Coal exports are restricted by quotas and hobbled by instances of competition among Polish exporters on foreign markets and by marked cuts in negotiated prices. The work to prepare the restructuring of this sector is still continuing. In March 1992, the Ministry of Industry and Trade drafted proposals for changes which were examined by the Sejm in May. In the course of the ceaseless conferences and discussions of the future of Polish mining, the miners themselves, representing the OPZZ [National Trade Union Alliance, postcommunists], came to Warsaw in order to struggle for the right to higher pensions or voice their opinions on the pace of changes. In July, following street pickets, it was the turn of strikes.

### What Is the Situation?

It is certain that coal demand in this country has markedly declined, for reasons already discussed. In their turn, export quotas, for which a rationale used to exist, were not eliminated in time after space in which to store surplus coal became scarce. Exports themselves also declined, while mine inventories increased. The arrears in payments and

the general increase in costs due to inflation caused the ailing financial system of the coal mining industry to collapse. The shock was resounding, although it could have been anticipated if proper warning measures had been in place.

Nowadays coal meets about 60 percent of Poland's energy demand. According to a study of the Upper Silesian Mining Chamber that share will drop to 52-55 percent in the year 2010. This can happen if the energy-intensiveness of all branches of the national economy is drastically reduced. [passage omitted]

Studies by Polish Power Grids, Inc., indicate that a large proportion of existing coal-burning power plants and electrothermal plants will continue to operate for many more years if modernized. Thus, we have no reason to badmouth coal. It will remain our principal fuel for many years, and nothing can change this fact.

The question arises, what quantities of that fuel are needed nowadays and in the foreseeable future?

In the opinion of the Coal Marketing Agency, which worked out two versions of the coal balance in 1995—the pessimistic version (extraction will be 138 million tons of coal) and the optimistic version (extraction will be 149 million tons)—after the industrial recession is overcome and we regain our former export positions, we will be threatened by a coal shortage. There may not be enough coal then, whereas now the mines are glutted with this fuel.

The Ministry of Industry and Trade believes that an extraction level of 140 million tons annually meets our needs and possibilities. [passage omitted] However, the quality of coal should be improved, which should also be considered in the programs for the modernization of power plants and electrothermal plants.

In this estimate an allowance is made for maintaining coal exports, which requires ties with longtime regular customers and a smooth and flexible flow of deliveries. For this to happen, the existing system of introducing export restrictions during the fall-winter period and abolishing them in the spring and summer has to be changed. An accurate balance sheet of our needs should make possible exports in the fall and winter, when the demand for coal is at its peak. Let us not delude ourselves! The world can get along without Polish coal. Were all the investment projects in coal mines, both those underway and those projected, to be translated into reality a worldwide overproduction of coal by more than 100 million tons can be expected. Thus the issue is not to extract coal, but to do it at a low cost, and know how to sell that raw material. We are a traditional exporter of this fuel and, it seems, maintaining that position, while difficult, is feasible.

For it to happen, the introduction of a cost-effective accounting system at the mines is an urgent necessity. A simple continuation of what is happening there at present means, in the opinion of the Upper Silesian Mining Chamber, a decline in coal extraction to 92 million tons annually. This means that Poland would have to import 25-40 million tons of coal annually, thus astonishing the entire world. Those who welcome such a solution should be aware that imported coal costs a dozen or so American dollars per ton (or about 30 percent) more than Polish coal.



A requirement for normal operations at the mines is their debt relief, more efficient extraction, and, above all, accurate cost analysis.

According to the State Black Coal Agency last year the unit extraction cost of coal for the coal mining industry as a whole was Z317,000 per ton. Of this amount, wages accounted for nearly Z140,000 (44 percent). This cost varied greatly at different mines, ranging from Z200,000 to Z1,200,000 per ton.

It appears that there can be no turning back from coal at present. What can still be discussed, however, is the organizational and economic ways of curing the ills plaguing Polish coal mining. At the same time, discussion should be accompanied by deeds, because no time is to be lost any longer.

### What Things Should Be Like

The strikes which plagued Polish mines in July were by then a simple consequence of the months-long deficiencies. Recovery programs drafted by the most varied taskforces remained on paper, because, as it turned out, the belief persists in our mentality that, once something is written down on paper, it means that it has been accomplished.

We have good projects for restructuring the Polish mining industry. It is time to translate them into reality, according to Industry and Trade Minister Wacław Niewiarowski.

The therapy must run on several planes of which the most important, obviously, is the economical one, which decides the profitability of extraction, and this in its turn should decisively affect the so-called social mood.

Discussions with representatives of the various trade unions served to work out the main directions of activity. The mines are to be turned into one-person Treasury companies and combined into groups with a status similar to that of holding companies. Profitability of extraction at individual mines should be urgently investigated. At present 18 mines are known to be regular money losers; six of these are in receivership. A list of mines ranked by profitability is to be completed by the end of July 1992.

During the same period a program for restructuring profitably operating mines is to be prepared. By the end October, the outlays to be made on restructuring the mining industry should be known, and by the end of the year we should know how money-losing mines are to be liquidated and for what purposes. Thus, it is known what is to be done. The question remains, how much will it cost, and where will the money be found?

The head of the World Bank's mission to Warsaw, Jan Hume, reaffirmed the bank's readiness to provide financial assistance to restructuring the Polish mining industry. This is a question of \$400 million, of which \$200 million will be available after a detailed program for such restructuring is presented.

The minister of industry and trade stressed that the restructuring does not merely mean mine closings. It also means

changing the profile of production at mine facilities. Wherever extraction is not profitable, surface facilities will be utilized for other purposes.

"The most important thing is that the first specific step has been made on the long road toward restructuring the mining industry," emphasized Minister Niewiarowski.

The other \$200 million from the World Bank could be utilized for emergency measures, because the situation in the Polish mining industry has practically become explosive. The explosion may yet be prevented. Putting it out would be much more difficult.

The trade unions active in the Polish mining industry have agreed on 19 demands which in their opinion should make coal extraction more efficient. They are demanding the abolition of the tax on assets (it was shifted) and of the export quotas (they were abolished), the creation of strategic coal stockpiles by the state, the elimination of arrears in payments, mine debt relief, and state subsidies.

Wages are a separate issue in the negotiations, which, according to Minister Niewiarowski were suspended, but according to the trade unionists were broken off. The miners demand higher wages, cost-of-living increases in retirement pensions and annuities, guaranteed paid leaves, and medical exemptions.

The wage raises for which miners had struck at many mines are not guaranteed by the government side, and it may be expected that, given the poor condition of most mines, they will remain on paper only.

### What Things Will Be Like

As known, a comprehensive restructuring of the coal industry is a task that will take years. Minister Niewiarowski estimates it will take at least eight years. Gradual closings of mines at which extraction is unprofitable do not have to mean that the mines will be liquidated and their personnel laid off, because in many cases mines can be used for productive purposes other than extraction, and this seems to be the sole rational solution.

There can be no return to state subsidies, according to the Ministry of Industry and Trade, but the relationship between electricity and coal prices has to be watched. The ministry also wants to decree a ceiling on the profit margin for coal sales, because, the way things are, it is the middlemen that earn the most.

The search for the golden mean in the negotiations is continuing. It is the belief at the Ministry of Industry and Trade that taking a position that is either too hard or too yielding might trigger yet another outbreak of social discontent.

There is also a need for cooperation among the ministries of industry, labor, and finance, as otherwise effective action is hardly conceivable.

The situation is complicated and it is difficult to make any predictions at present. As known, it is a must for us to extract coal, but the structural changes which await Polish mining are a difficult and, what is more, delayed therapy. It will not be easy.

**PDAR Says Government 'Obstructed' Agriculture**  
*92P20395A Bucharest DIMINEATA in Romanian*  
*28 Aug 92 p 5*

["Communique" of the Executive Bureau of the Democratic Agrarian Party of Romania (PDAR): "The PDAR Notifies the Government"]

[Text] The steering committee of the Democratic Agrarian Party of Romania [PDAR] adopted the following communique at its 25 August session:

"The PDAR agreed to participate in the government headed by Theodor Stolojan, with the portfolio of the Ministry of Agriculture and Food, in a sincere desire to be directly involved in the solution of the complex and difficult problems of agriculture. When we assumed this difficult responsibility, we thought that the government would give us the support that agriculture needs. Not only have we not received this support but, on the contrary, we can say that the government has obstructed agriculture as follows:

"1. The application of the Land Law was delayed by the prefects and mayors in office prior to the February 1992 elections, people who were subordinate to the government and the minister of agriculture, which led to the failure to work large areas of land.

"2. The diesel fuel and funds needed for fall sowing in 1991 were not supplied and, as a result, 800,000 ha were sown very late and one million ha intended for grains were not sown. For this reason and as a result of the failure to supply fertilizers which, unfortunately, were exported instead of being used domestically, the harvest did not satisfy domestic needs and we had to import wheat.

"3. Because of lack of diesel fuel and credits, almost six million ha were not plowed last fall. Spring plowing was executed with great effort. More money was spent but yields were reduced. Pesticides were not provided for spring crops or, in many cases, for the treatment of seeds, and the quantity of fertilizers received was barely 25 percent of the amount agreed upon with the government. As a result of our repeated pleas, some decisions were adopted but they are not being respected by the government or by the banks.

"4. Numerous steps were taken to obtain the supply of protein that is absolutely necessary for the hog and poultry complexes. In addition, several billion lei were deposited in banks to be exchanged for hard currency and for imports that agriculture badly needed. We were surprised to find out that hard currency exchanges had been approved for cigarettes, coffee, drinks, and even for poultry, while no hard currency was received for the import of protein, which was vital for agriculture. The failure to obtain protein has not only led to a noticeable drop in production but has also been detrimental to the stocks of animals and fowl.

"5. This year has been characterized by unprecedented drought, similar to the drought of 1946, which, unfortunately, resulted in the overlapping of spring plowing and sowing. We asked the government to provide the funds for irrigation of corn, sugarbeets, and legumes. The sums of money were approved only partially towards the end of August, when irrigation would no longer be any help since the crops were already devastated. If funds had been provided in time and only 500,000 to 600,000 ha of corn were

irrigated, more than three million metric tons would have been obtained, enough for fodder, and we would not have been obliged to import.

"6. For the 1992-93 agricultural year, a program has been drawn up for the sowing of 3.5 million ha of wheat and barley to satisfy, from domestic production, the country's needs for bread, fodder, and other needs of the economy. We were surprised to learn that the execution of this vital action for agriculture is endangered because the diesel fuel, fertilizer, and credits necessary for financing the operations are not being provided. The lack of diesel fuel and credits can lead to the failure to execute fall plowing for spring sowing, with serious consequences for the harvest.

"7. The government organized a conference with some political parties on measures for the partial reduction of subsidies beginning 1 September.

"The PDAR pointed out that two increases that affect the consumers are taking place in the domain of prices: the increase in prices as a result of the change in the leu-dollar exchange rate and the increase in prices as a result of the partial reduction of subsidies for some products. The first accounts for approximately 70 percent of the increases affecting the population and the second, 30 percent. In addition, the first action also affects agricultural production by accentuated price increases for fertilizer, energy, fuel, machinery, and equipment.

"Also, for some agricultural and food products, such as pork and beef, increases for 90 percent of the meat intended for consumption are determined by changing the leu-dollar exchange rate and not by reducing subsidies.

"We asked that both measures be examined but the government's view was that the increase resulting from the change in the leu-dollar exchange rate should be applied in an obligatory way and should not be the object of discussion. All of the political groupings supported our proposal to examine both measures for increasing prices—a situation in that, as an alternative, the second measure, with lesser effects, should be applied.

"The position of the PDAR is that, in this stage of the election campaign, the application of measures for increasing prices, both as a result of a change in the leu-dollar exchange rate and as a result of the partial reduction of subsidies, should be postponed.

"The separation of these measures does not resolve the problems of the economy or the social problems of the population, giving rise to speculation and unjustified dissatisfaction. In order to correct certain exaggerated price increases resulting from the change in the leu-dollar exchange rate, we have presented and can continue to present solutions to be adopted in the area of financial policy.

"Many times, in press conferences and in a conference with 4,000 farmers in Palace Hall, the PDAR has presented its protest against the negative position adopted by the government, by government institutions, and by banks in connection with the manner of resolving the problems facing agriculture, the problems facing the residents of the villages and the entire population.

"We are notifying the government for the final time and we are stating that, if clear measures are not adopted for resolving the problems facing agriculture—including the reexamination of both measures for increasing prices—we

will make a decision as to whether we should stay in the Stolojan government since we do not want to be participants in a policy of economic instability, and a policy of bankruptcy of agriculture and of the entire economy."

## Finnish Reporter Describes Life in Kosovo

### Severe Oppression

92BA1348A Helsinki HELSINGIN SANOMAT in Finnish  
13 Aug 92 p C1

[Article by Linda Jakobson: "Kosovans' Lives Depend on Generosity of Well-To-Do; Albanians Stubbornly Resist Serbian Might"]

[Text] Pristina/Prizdin, Kosovo (HS)—"Look at us today," Bejtush Pacolli, who lives on the heights south of Pristina, invited us and pointed with his hand to the piles of garbage lying about along the street curb.

"The Serbs kicked all of the Albanians out of the municipal garbage disposal office, but they don't take care of the garbage collection themselves, at least not in the Albanian residential areas. They, of course, want to spread epidemics."

These kinds of charges with regard to the Serbs, who wield power, are heard everywhere in Pristina, a Kosovo city with well over 200,000 inhabitants. The street curbs are decorated with reeking garbage bags; the public health service has not been operating since the Albanian doctors had to leave their posts; accelerating inflation is raising food prices almost daily.

"War is inevitable," was Pacolli's answer to the question as to whether he believed the inflammatory situation in Kosovo would develop into an armed conflict.

"As soon as the Serbs have gained possession of Bosnia, they'll concentrate on conquering Kosovo. On the other hand, war might be an easier solution to the problem than the present keeping of body and soul together in the grip of terror. At present, life is just like slow death."

### He Lost His Job Because He Participated in Protest

For 20 years Bejtush Pacolli had worked in the Kishnica coal mine. Three years ago he lost his job when the miners protested Belgrade's decision to put an end to Kosovo's status as an autonomous state. Eight days after the strike Pacolli was sent to prison for two months.

There are four school-age children in Pacolli's family. The two youngest attend school as usual since the Serbs have not suspended lower-grade instruction of Albanians. The family's two oldest boys are still attending school in instruction groups maintained and funded by the Albanians themselves. The University of Pristina, the technical institutes, and secondary schools have been closed to Albanians for a year now.

The Pacollis are living on aid packages provided by the Democratic Community of Kosovo (LDK). Every now and then Pacolli's cousin sends them a few dozen Deutsche marks from Mannheim and from time to time Pacolli succeeds in getting odd jobs for a couple of days at a time.

"A family with four children would barely make ends meet with 100 Deutsche marks (about 275 markkas), but we don't always have that much ready cash. Without the LDK's help, we couldn't make ends meet," he asserted and spread out his hands in a gesture of exasperation.

"Look at that sod brick roof. We ought to get building materials from somewhere before it falls on our necks."

In Pacolli's opinion, the passive resistance policy pursued by the LDK is the only right one under the present circumstances. Having grown from a broad citizens' movement into the party that is leading Kosovo's Albanians, the LDK is promoting independence for Kosovo with democratic methods. They are urging people to avoid even the slightest provocation for the Serbs to engage in violence.

Of course, Pacolli said that in the end the Albanians are ready to fight the Serbs "even with sticks and bare hands."

Ordinary Kosovans' ability to tolerate them has been stretched to its outer limits these past few weeks. In three years time the region's economy has been driven to the point of collapse by the Serbs. Now that the world has imposed an embargo on Serbia, food prices are rising above what they were before. In addition, it is harder to obtain fuel.

"We're being doubly penalized," said farm housewife Nazife Ukaj, who lives in the village of Korisha. "First, the Serbs come and strip us of everything and take our jobs away from us and now the rest of the world is imposing an embargo on us."

To be sure, in Mrs. Ukaj's opinion, the embargo was the least that the Western countries could have done. "If they were to bomb Belgrade, maybe they could control the Serbs. Elsewhere in Europe they still think that talk and agreements are enough."

Nazife Ukaj is a widow. Her husband had worked in a factory in Germany for 19 years. In Kosovo it is quite common for a family's subsistence to depend largely on the money sent home by a relative who earns his living as a foreign worker abroad. During the past few years the generosity of Kosovans working abroad and those who are better off has enabled the LDK to pursue its aid activities and maintain the school districts.

Her husband's pension, which Mrs. Ukaj is entitled to, does not reach Kosovo from the German bank because of the embargo. She did not, however, complain, but merely shrugged her shoulders and said that all Kosovans were suffering at this time.

"We'll go on suffering until we live in an independent state of Kosovo," she said calmly. "Who wants to live in an occupied country?"

Mrs. Ukaj's two electrician sons have been unemployed for three years. Now they do odd jobs on their own account—which often do not bring in money in payment, but vegetables, eggs, or services in return.

In Mrs. Ukaj's opinion, it goes without saying that her sons would fight for Kosovo if war comes.

Like Mrs. Ukaj, wedding-dress merchant Nazim Bejleri is a Kosovo nationalist—liberating themselves from Serbian domination was, in fact, a self-evident and fervently desired goal for all of the Albanians I encountered during the week of my visit.

But merchant Bejleri is a strange bird for several other reasons. He is immensely rich and could very well move out of the country without asking anyone for help. He does not

like the LDK. He said that it is a fad that has unduly influenced people without their especially thinking about what the party represents. Bejleri does not even support the president of Kosovo, Ibrahim Rugova, who enjoys great popularity.

"The abilities of a history of literature professor certainly come into their own in the academic world," he said and fretted about how suspiciously people view the former Albanian leaders of the communist era.

"Our former party leader, (Mahmud) Bakali, would today unquestionably be the best qualified president, but he hasn't even been asked to run (in the presidential elections in May). Bakali would know how to pilot Kosovo into clear waters."

During the communist era Bejleri sat behind bars for four years because of his political opinions and he said that he is still a thorn in the side of officials. Nevertheless, he is confident that a better tomorrow awaits Kosovo. He was the only Kosovan I met who firmly believed that Kosovans would disentangle themselves from the tight situation they are in today without having to go to war.

### Desire To Emigrate

92BA1348B Helsinki HELSINGIN SANOMAT in Finnish  
15 Aug 92 p C1

[Article by Linda Jakobson: "Finland Is Kosovans' Utopia"]

[Text] Pristina, Kosovo (HS)—*It is claimed that the Serbs are spreading reports extolling the virtues of Finland so that the Albanians will leave the country. A representative of Kosovo's shadow government has sharply condemned those who have fled the economic pinch the country is in.*

When I walk through Pristina, the capital of Kosovo, and tell people that I meet that I am from Finland, their faces light up. They praise Finland as a heaven on earth. Then they immediately ask whether I could help them get to Finland.

"My son is smart, a hard worker. If you could just arrange for him to get to Finland; I don't matter so much," a woman hanging around in front of the Reis Travel Bureau said, and dropped her hand onto the shoulder of her 14-year-old son. The boy, Osman, obediently translated what his mother had said into fluent English and gave an embarrassed laugh.

### They Know Visa Is Required

"Of course, we know a visa is required in Finland now," Osman added. "But tell me: Is it true that the Finnish Government arranges for a job and housing for everyone who arrives there?"

It is impossible to determine with any certainty in Pristina where this rumor comes from. The Serbian officials refused our request for an interview. "We don't want to talk with any foreign reporters," is the reply we got from both the chief of police and a representative of the ministry responsible for administering [migration] in Kosovo.

The Serbs declared martial law in Kosovo in June 1990. As early as a year before that, the Belgrade government decided to annul Kosovo's status as an independent territory and set about systematically excluding the Albanian population

from its economic and cultural life. Of Kosovo's inhabitants, 90 percent are Albanian.

The Albanians themselves have a clear idea of how misconceptions about Finland as a country amicably disposed to refugees came into being among the people.

### Serbs Hope They Will Emigrate

"The Serbs hope that as many Albanians as possible will leave the country. It doesn't make any difference to them where, if only they leave. Reports greatly extolling the virtues of Finland are diffused through the news media," editor Zenun Qelaj said. He is the now suspended assistant chief editor of the Albanian-language newspaper RILINDJA and one of the founders of the LDK (Democratic Community of Kosovo) Party, which is promoting independence for Kosovo. In addition, he serves as the chief secretary of the Kosovo Human Rights Watchdog Commission.

Among others, Qelaj mentioned the chief daily published in Belgrade, POLITIKA, and said that he had read a couple of flattering articles about Finland in it in late January-early February. He also noted that there were two TV programs telecast from Finland at the start of the year. Belgrade's legation in Finland confirmed the fact that the programs, presented in conjunction with the morning newscast, were very favorable and that the legation received a large number of phone calls about job opportunities in Finland following the programs.

### Three Kinds of Emigres

There are three kinds of Albanians who are leaving or long to leave Kosovo. There are people whom the police persecute for their political activities. There are young men who are dodging being drafted into the Serbian Army. And there are people who want to go abroad to work after losing their jobs under the tyranny of the Serbs. About 120,000 Albanians have been fired during the past two years.

"It goes without saying that, as far as the first two groups are concerned, we hope for sympathy and a favorable reaction from the governments of other nations. These people are political refugees who want temporary residence permits abroad," Shaqir Shaqiri, a member of the LDK Party leadership, said. He stressed the word temporary and pointed out that all the Albanians from Kosovo who have left for foreign countries hope to return as soon as the political situation has calmed down.

Shaqiri is responsible for foreign affairs in Kosovo's so-called shadow government. Originally founded as a citizens' movement, the LDK is now the Albanians of Kosovo's leading party since it overwhelmingly won the parliamentary elections secretly held in May.

Shaqiri will probably be appointed foreign minister of Kosovo within the next few weeks—the new parliament's first attempt to meet in June failed when the Serbian police prevented the session.

### "There Is No Reason To Flee Economic Pinch"

Shaqiri takes a stern view of those of his countrymen who flee the economic pinch:

"They are traitors and I am not concerned about them in the slightest. It's quite right that they should be returned. The



standard of living for all of us has declined. Most Albanians are jobless, but we have to stay here and work for an independent Kosovo," Shaqiri said.

"The LDK sees to it that no one has to die of hunger. There is no reason to flee the economic pinch. The LDK helps the jobless. We can thank our Albanian brothers in Macedonia, Germany, Italy, Switzerland...for this. The aid from abroad has been magnificent."

Unlike Shaqiri, not all the Albanian leaders I met are prepared to condemn those Kosovans who emigrate for economic reasons. Many of them understand a person's desire to make a living beyond the borders of his country at a time when life has become just a matter of survival dependent on aid.

Each of them is, however, prepared to support the granting of solely temporary residence permits to Kosovans, whether they be political or economic refugees.

### Where Could 2 Million People Go?

Adnan, the 16-year-old son of a doctor, is one of those who supports Shaqiri's view of the situation.

"How could we forsake Kosovo? This is our country and we must defend our rights. The Serbs indeed wish that all of us Albanians would disappear, but where should 2 million people go?" he shook his head.

Adnan's father lost his job two years ago. Now he sells clothes and wedding ornaments in the marketplace. Despite the fact that the Serbs closed down the Albanian schools, like other young Kosovans, Adnan is continuing his studies in instruction groups organized by the LDK.

"Kosovo's Albanians are an obstinate people," Adnan assured us. "Neither war nor this kind of slow starvation will get us to abandon our desire to live free of Serbian domination."

### Serbs Blamed

92BA1348C Helsinki HELSINGIN SANOMAT in Finnish  
13 Aug 92 p C1

[Article by Linda Jakobson: "Bosnians in Direst Need of Aid"]

[Text] On 20 July the Finnish Government decided that people arriving here from former Yugoslav territory would henceforth need visas. By that time over 1,800 Yugoslav nationals had sought refuge in Finland. About 85 percent of them are Albanians from Kosovo.

Foreign Minister Paavo Vayrynen justified the initiative by saying that the Kosovo Albanians are not in the direst need of aid. "There is neither violent unrest nor civil war in Kosovo," the foreign minister said.

On the basis of everything I experienced in Kosovo, I must admit that Vayrynen is largely right. The Albanians live as objects of terrible pressure in Kosovo; the Serbs have subjugated them to the status of second-class citizens and the Serbian Government is pursuing a systematic policy of oppression. However, the Kosovo Albanian situation cannot be compared with, for example, the fate of the fugitives from the war in Bosnia.

It is impossible to measure the poverty and the economic pressure. However, there are no visible signs of famine in Kosovo, people have a roof over their heads, and, while many people quite justifiably complained about the sharply reduced standard of living over the past two years, no one claimed that people are dying of hunger or from a lack of medicines.

For 20 years now Kosovans' economy has been dependent on money sent by family members working abroad. I often heard people praising the spiritual connection of Kosovans who had moved elsewhere with their homeland and their sense of duty to their relatives who remained at home.

I visited a home in Pristina in which they showed me a postcard that had come from Valkeala. The person who had sent the card was not one of those escaping the army, but one who had left home to look for work in Finland.

Considering the overall situation in Yugoslavia, the family in question was not in "the direst need of aid." Even by Finnish standards, the home was at a downright high level of comfort.

Men fleeing from the Serbian Army, of course, constitute their own special group. It is clear that not a single Albanian feels that it is his duty to serve in the Serbian Army and to have to fight alongside Serbs in the war in Bosnia.

Elsewhere in former Yugoslavia, the situation is different. When I visited the refugee camps located in the border area between Croatia and Bosnia, I ran across people in need at every meter. I could not help thinking that it is the duty of every individual and state that calls himself or itself humane to help these people.

Bosnia's Muslim families have been driven out of their homes, their homes have been burned to the ground, and the men of the family sent to camps where torture and executions are reported to be everyday occurrences.

For the Bosnians who have ended up in refugee camps, there is at present no returning to their homes. This is why temporary housing for them is absolutely necessary. Finland too has the wherewithal to offer them such housing.

### Ethnic Hungarian Leader Lauds Budapest Stance

92BA1283A Novi Sad MAGYAR SZO in Hungarian  
16 Jul 92 p 7

[Interview with Andras Agoston, president of the Democratic Union of Hungarians in Vojvodina, by Pal Lephaf; place and date not given: "Minorities Are Not Solely an Internal Matter"]

[Text] [Agoston] To prepare fittingly for this interview, I perused Bergson's *Laughter, an Essay on the Meaning of the Comic*, Lajos Nagy's *Keptelen Termeszettarjz [Absurd Natural History]*, Lajos Szalay's *Breviarium [Breviary]* and the *Kajan Lexicon [Malicious Encyclopedia]*. On the basis of the wisdom that politics is the art of the possible, I did my best to find the connection between politics on the one hand, and art and humor on the other.

[Lephaf] And where would you put politics?

[Agoston] I start out from what Aristotle said rather long ago: "Politics is the queen of sciences." Politicians are

coolheaded as a rule, but politics requires also personal motivation, a commitment in the meliorative sense.

[Lephaft] What motivates you?

[Agoston] The only goal motivating me is for as many ethnic Hungarians as possible to remain Hungarians here in Vojvodina.

#### To Remain Hungarians

[Lephaft] In your opinion, what does it mean to remain Hungarians?

[Agoston] I have the following in mind: These changes, particularly in the political system, now enable us to impart also a political meaning to the universal concept of Hungarians. In other words, the Hungarians living in various countries can and must have also common objectives. For instance, we all must strive to achieve that Hungary becomes a member of the European Community as soon as possible. At the same time, it is in the interest of every Hungarian, no matter in which successor state he now resides, that Hungarians find their place in this new situation as a quasi-European ethnic group, and realize their democratic objectives without any disruption of borders, namely the objectives of suitable autonomy, and of opportunity to preserve their national identity and cherish their national values.

[Lephaft] Distortion and exaggeration are the characteristics of cartoons, but they are not foreign to politics either. Do you find any similarity between politics and cartoons?

[Agoston] Of course there are similarities. Cartoons, too, can be good or bad. A good cartoon is also slightly intuitive, always a bit ahead of its time, senses the deeper interrelations, and points out the possible solutions.

[Lephaft] Politics requires teamwork. How good a team is the VMDK [Democratic Union of Hungarians in Vojvodina]?

[Agoston] I have to answer what we often say among ourselves: A better team could not have been devised.

[Lephaft] Could a group of dissidents leave the organization? Consider the parliamentary caucus of the SZSZP [Socialist Party of Serbia] as an example.

[Agoston] Many things may happen in the VMDK that could not happen in a strictly organized political party. We, for instance, do not have any mechanism for bringing anyone to account for any kind of political activity. The VMDK rallies those who wish to promote the most general interests of the ethnic Hungarians in Vojvodina. So far, we have not blundered on any important political issues.

#### Kanizsa (Monostor) [Banatski Monostor]

[Lephaft] Not even in your assessment of the municipal elections? I am thinking of Kanizsa.

[Agoston] Our basic principle was to run in the election. We entrusted the specific political work to the county leadership. They decided not to contest the special election. The ruling Socialist Party concentrated its war propaganda unambiguously on Kanizsa. Perhaps they wanted to prove that it would mean only trouble for Kanizsa residents if I represented them. But the Kanizsa affair is not yet over. At

present it has an incomplete municipal council with a Socialist majority, but 15 seats on the council are vacant. We find it unacceptable for the VMDK to be in a minority there. We hope that there will be also a regular, democratic election, one in which we naturally will participate.

[Lephaft] Are we Hungarians loyal citizens?

[Agoston] In my opinion, we are. And not just here in Yugoslavia, where we are an ethnic minority, but everywhere else as well. It is quite another matter that nation-states usually perceive loyalty one-sidedly. They demand that a minority accept in their entirety the standards and the way of life they offer. Loyalty is at least a bilateral social process.

[Lephaft] I wonder whether the power structure regards us as loyal? And if it does, why is it treating us differently?

[Agoston] It is hard to tell what the power structure is thinking. On the basis of what we are feeling on our own hides, one may conclude that the leadership of the Serbian nation-state intends to use political pressure to prevent the minorities from living democratically as independent political entities, in accordance with the internal rules of their own collectives. It is acting that way in its fear of secessionism. So far as we are concerned, that fear is entirely unfounded.

#### Dictatorship

[Lephaft] Is there dictatorship in our country?

[Agoston] It all depends on how you define dictatorship. It seems to me that there are dictatorial elements in the system of government. In my opinion, these harsh oppressive tendencies will subside parallel with the international situation's development. Europe understands our aspirations. Therefore I expect a resolution of the unsolved problems of the ethnic Hungarians in Vojvodina not from the ruling party or the opposition, which sometimes is even more extreme, but from international factors. In their opinion, minorities may no longer be regarded solely as an internal matter. Questions pertaining to minorities must be settled under international supervision.

[Lephaft] You refer to international public opinion. What does the wide world know about us?

[Agoston] As a political entity, we were not present in Europe up to now. Proof of this is Margaret Thatcher's statement that she first learned of the ethnic Hungarians in Vojvodina, and of their interest-representing organization, from a letter I had written to Lord Carrington. The situation today is entirely different. For instance, according to Mr. de Beauce—he is Lord Carrington's Deputy who handles matters pertaining to Serbia's minorities—I am the first politician from the former Yugoslavia's territory whose arguments do not go back to the 12th century. That, too, is eloquent proof of how seriously we have heeded the pope's 1989 message, in which he called our attention particularly to two things. One was the importance of dialogue. And the other, that minorities must strive to look ahead, instead of basing their claims on historical arguments.

### As a Minority

[Lephaft] Together with the representatives of the other minorities in Vojvodina, you too were a "guest" of Serbia's prime minister last week.

[Agoston] It is no longer we who have to prove that something is wrong with our rights. The parliamentary session of the Council of Europe established that the minorities in Serbia are being oppressed. Kosovo, Sandzak, and Vojvodina were mentioned by name. According to the Banditer Commission, the rump of Yugoslavia cannot be regarded as the sole legal successor of the Socialist Federal Republic of Yugoslavia. This is of importance to us because the new state, as such, will have to meet the requirements regarding minority rights. Only then will it be able to become a member of the family of European countries. We hope that the requirements set for Serbia will not be easier than the ones set for Slovenia and Croatia, for instance.

[Lephaft] What are the VMDK's relations with Hungary like?

[Agoston] We strived to maintain independent, democratic and equitable relations with the Belgrade government, and we are striving for the same kind of relations with the Hungarian Government as well. These latter relations are more normal by far. The Hungarian Government is not attempting to influence us in accordance with its own day-to-day politics. We hope that sooner or later we will be able to establish such relations with the Belgrade government as well.

### MAGYAR SZO

[Lephaft] What is your opinion of MAGYAR SZO?

[Agoston] Within the framework of personal autonomy, the VMDK is promoting the creation of a minority council that would administer education, culture and information matters, among other things. In this sense, of course, such a council would oversee our only Hungarian-language daily as a public-service medium. On the basis of these considerations, we had proposed earlier that the VMDK should become MAGYAR SZO's founder. That proposal encountered fierce opposition from both the power structure and the paper's editorial office, which we have accepted as a fact. We are trying to see MAGYAR SZO in the same light that the editorial office regards itself—i.e., as the newspaper of democratic public opinion. We will speak out also in the future should the paper, in its editorial policies or political orientation, fail to pursue the fundamental interests of the ethnic Hungarians in Vojvodina.

[Lephaft] Are you an optimist?

[Agoston] Would I be in politics otherwise?

### Medicine From Hungary Sustains Subotica Hospital

92BA1282B Novi Sad MAGYAR SZO in Hungarian  
17 Jul 92 p 7

[Article by A.S.K.: "It Arrived at the Very Last Moment"]

[Text] A shipment of pharmaceuticals for the local hospital, some 300,000 forints' worth of life-saving drugs, arrived recently in Szabadka [Subotica]. It had been sent by the city of Szeged, the first to respond to the [Subotica] mayor's

appeal for aid. In addition to Szeged, the humanitarian agencies of several other countries have also offered aid. This is further proof that there is greater need of cooperation, and of establishing and fostering relations, than ever before. In conjunction with this, Mayor Jozsef Kasza has made the following statement:

"During the past two and a half years, despite enormous difficulties and at the cost of immense effort, we have succeeded in creating an opening to the world. Thanks to the international relations we sought to establish, the world has taken notice of this multiethnic, peace-loving city's appeal. When it became obvious that, because of the blockade, the hospital would soon be unable to provide even the most elementary medical care, we turned to those businessmen and organizations with whom we had been able to establish contact during the past two years. We sent a list of the pharmaceuticals our hospital experts deemed indispensable, first to Szeged, then to Pozsony [Bratislava], Delft and Elche, and to numerous international organizations as well. The Soros Foundation and the Maltese Philanthropic Service have provided considerable help. Because of communications difficulties, the Maltese Philanthropic Service offered to collect the shipments at its warehouse in Szeged, and to bring them over as needed."

We asked Dr. Rodoljub Duric, the director of Szabadka Hospital, how much this aid meant to his hospital.

"A very valuable shipment of pharmaceuticals has arrived," he replied, "specifically of medicines for which there has been a pressing need for weeks. Our internal-medicine, resuscitation, and psychiatric wards had run out of pharmaceuticals. We are very grateful to our Szeged colleagues for this substantial aid, which will certainly enable us to weather these difficult times more easily, and to provide better care to our patients."

Pharmacist Erzsebet Dorfler, the chief of the hospital's pharmacy, said: "Perhaps the most important thing is that the psychiatric ward's situation, which had been the most critical, has been resolved. This ward had run out of pharmaceuticals completely. All aid comes handy, but what we have been receiving so far—from the Red Cross, for instance—was better suited for stocking a home medicine cabinet. The present shipment of pharmaceuticals arrived on the basis of a list prepared in advance. Although its value is difficult to assess, the shipment is probably worth between two and three million dinars. But far more important than the shipment's actual value is the fact that we received the very pharmaceuticals that were sorely needed. They included cardiac drugs, diuretics, insulin, inhalation anesthetics, tetanus shots, etc. We have supplied also the health centers and the ambulance service with tetanus shots. We distributed a part of the pharmaceuticals the very day the shipment arrived. The doctors in charge of the wards signed for the pharmaceuticals their wards received. When operating at full capacity, the hospital now needs about 20 million dinars' worth of pharmaceuticals and medical supplies a year. It goes without saying that, for months now, we have hardly purchased anything with the little money that dribbles occasionally from the centralized fund in Belgrade. The wholesale enterprises that distribute pharmaceuticals are unwilling to ship anything more to us on credit. We would first have to settle what we already owe them."

**Views of Movement for All-Macedonian Action**

92BA1307A Skopje NOVA MAKEDONIJA in Macedonian  
23 Jul 92 p 4

[Article by Ante Popovski, chairman of the National Committee of the Movement for All-Macedonian Action: "In the Absence of a Macedonian National Program"]

[Text] Document of MAAK [Movement for All-Macedonian Action] in the period between the two governments concerning the conditions in and around Macedonia

*This program must represent a synthesis of views concerning the most vital questions connected with the present and the future. A consensus about the fate of Macedonia today and tomorrow is necessary. Macedonian unity is faced with a great historical test.*

In this dangerous time for the future of the Republic of Macedonia and its democracy, MAAK presents the following to the Macedonian public.

**Document of MAAK in the Period Between the Two Governments Concerning the Conditions in and Around Macedonia**

The Republic of Macedonia is living through an acute and dangerous crisis: the collapse of the economy and of the social program, and the failure of the foreign policy of the Macedonian State. The open conflict in the most sensitive offices of the government security are only outward manifestations of much more complicated situations, which make the political polarization in the Republic more acute, aggravate conflict situations, and threaten to convert all of this into social and other concerns that imperil the integrity of the Republic of Macedonia.

The nature of this crisis does not allow for improvisations in its solution and summons the conscience of each citizen of Macedonia for assistance.

The causes of this are numerous:

The authorities continue to tolerate anarchy: In many opstinas in Macedonia, corruption, anarchy, and genuine confusion rule; decisions about urgent matters are being made slowly; absolute arrhythmia prevails in the functioning between the Assembly and the Government of the Republic of Macedonia; certain ministries threaten the legal integrity and the other rights of the citizens.

Legal agencies and representatives of the authorities rush into corruption: Social property is privatized through internal actions without financial support; the scandals around the drugs and the "Toyotas" still are not made public; approximately 25,000 malefactors in Skopje alone owe their existence exclusively to actions contrary to the laws of bribery and corruption.

**Legal Security Threatened**

The legal security of the citizens is threatened, and guarantees of the legal government are wiped out. There is no answer to the questions concerning the currency deposits and the manipulations thereof on the part of representatives in the Assembly, members of the government, and of government agencies. The outpouring of capital through the companies formed by state-owned businesses abroad continues. The blocked functions of the SOK [expansion

unknown], in the absence of effective financial police, only helps this process. Private initiative is rendered more difficult by countless bureaucratic means. In exchange for this, legally supported smuggling and open corruption is affirmed. Inflation is assisted by the government itself.

On the other hand, these conditions are characterized by the functioning of a political establishment that represents a monopoly of personal power and that for many reasons still laments for the past. These are conditions of constant delaying in producing the laws with which the denationalization and the transformation of the social capital are regulated and the laws concerning citizenship, road repairs, and crossing the national border. For want of these laws, the Macedonian citizen lives as a person without a country with respect to the existence of his independent and sovereign state. The laws for the state symbols have not been passed. The iconography of the militaristic army already is in force!

The political opposition is thrown onto the very margins of political life: It is deprived of the right to participate in the democratic processes of the society; in the most vital questions of interest for the Macedonian state and its future, the political opposition is treated more as a foreign body and not as an active factor. The classic corruption relationship has been restored: Power equals political parties in the parliament. These political parties were financed by the state, and no additional commentary about this is necessary.

The political opposition also remains without its own information facilities, without elementary conditions for its organized life and activity. On the contrary, many indications say that they are working under political scrutiny and eavesdropping. For this reason, the truth remains a prisoner between the people and the authorities. Selected information is presented to the people. Without a public accounting, the mortgage of open questions will grow continuously.

**Strategic Failures**

However, all of this is only a consequence of strategic failures.

The Republic of Macedonia for a long time has been captive to the illusions of a possible reintegration of the Yugoslav federation. The problematic question posed in the referendum (even if conditional and even if as a tactical move) could not escape the view of the subtle analysts of the Macedonian conditions; the insufficient differentiation of the Macedonian position in this regard led to situations that imposed pronounced pro-Yugoslav orientations in the most sensitive ministries of the government, so that the fact that these ministries exist in an independent and sovereign Macedonia is lost from sight. In other words, the pro-Yugoslav dogma dominated in the agencies of the government for longer than was necessary. This confusion created serious barriers in the contacts with the world. The statements of some leaders of the ministries, which up to now have not been refuted: "Sovereignty for Macedonia—but without me!" especially preserves the confusion. As long as such were the realities, it was unacceptable for people with these convictions to manage departments of the most vital significance for the independence of the Macedonian State. Within the framework of such confusion, the facts are incontrovertible that the whole establishment, especially the operational apparatus of the ministries, which acted as an



extension of these spheres of action, and the ministries and offices were filled with people with similar leanings. These facts may represent an explanation for the attempt in Macedonia to carry out direct methods used by the Greater Serbia militaristic school—the formation of paramilitary units in Macedonia. What was their goal? Who formulated them? With the approval of the parliament and of the government or not? With the approval of the Council for National Defense or not?

In other words, the prolonged and very pronounced love for the former Yugoslavia, which already was falling apart in blood and by the sword, could not but have very unfavorable consequences on the independence and sovereignty of the Republic of Macedonia. So it is not an overstatement to say that, in defending Yugoslavia, we are destroying Macedonia.

Therefore, we say that there are limits to which any state dares to allow criticism. Beyond these limits, criticism turns into chaos. Also, in every state there are limits to every secret. Beyond these limits begin mystifications and abuses and the disintegration of the state.

In the list of the cardinal mistakes, the absence of our own national strategy, of a Macedonian National Program, cannot be left unnoticed. It has been constantly pointed out that such a program should represent a synthesis of views of the most vital questions connected with the present and the future of the Republic of Macedonia. Without a thorough strategic document, without a developed position for each important question, we will not be looking for anything. All that will be done will be a result of improvisation and compromises. As politics is, so is history.

#### **Nonmilitarized Macedonia**

We need a national program built on principles of consensus, which will represent a project of relevant options for the fate of Macedonia today and tomorrow. We live in a time of great political change, and it is precisely because of this that we must produce courageous and relevant ideas. This is not possible without national unity. This is not possible in the conditions in which the Republic of Macedonia now exists. The dissolution of the Macedonian parliament, calling for a new election law and conducting new elections, represents a step toward Macedonian national unity and a step toward a comprehensive national program. A parliament like this one is not at the level of the Macedonian situation, but it still is less at the level of the Macedonian needs.

Within the framework of such a program, the question of a demilitarized Macedonia should be made into a central doctrine of the Macedonian foreign policy program. This doctrine will eliminate all manipulations concerning the supposed threat against certain neighbors on the part of Macedonia, and it will ensure rapid economic development, a high international reputation, and a secure existence for Macedonia.

The more noticeably are panegyrical tirades, concerning Macedonian foreign policy affirmed in the information media in Macedonia, instead of a realistic and critical course, the more noticeably present is the thesis according to which everyone else is guilty except us. This is a very familiar style of behaving toward the authorities, and such a

style is not an expression of democratic processes, but an aggravation of the situation. Precisely because of the open and critical attitude concerning certain questions of foreign policy, MAAK has been subjected to constant attacks. It was handled with the premises of cosmopolitanism in order to negate the supposed narrow-mindedness and shortsightedness of nationalistic orientation. In this case, the main thing that was forgotten was that there is no cosmopolitanism without a feeling for national consciousness and without national affiliation.

#### **Uncontrolled Euphoria**

Thus, in Macedonia, a psychology of uncontrolled euphoria and great hope prevailed. This is the known psychology of self-satisfaction that is not supported by facts. The true connections with the foreign policy of Macedonia, unfortunately, are different: These truths call for greater attentiveness and indeed greater realism.

We do not doubt that the new Government of the Republic of Macedonia will do everything, at least until it corrects the consequences that the previous government left. Then the analysis of certain orientations, whose goal is international recognition of the Republic of Macedonia, may be of interest.

The Republic of Macedonia is a legal successor to the former Yugoslavia, recognized by the international community as such a successor, and, because of this, the basic strategic orientation should be toward the United Nations, and not only toward the regional economic or political unions.

In the UN, the Republic of Macedonia has to construct a strategy for dealing with automatism because all of the countries of the Eastern bloc, which has fallen apart, have changed.

Future preparation of a scientific-diplomatic-legal document at the level of a diplomatic white book for Macedonian affairs is necessary.

It is necessary for the government to support and accelerate the signing of an international declaration for a demilitarized Macedonia and the inclusion of a demilitarized Macedonia into Macedonian foreign policy as a central doctrine.

The restoration of diplomatic-consular representations with the countries that have recognized the Republic of Macedonia up to now and the opening of cultural-information centers in the world are more than necessary.

#### **Entering NATO**

It is not possible to discuss the future of Macedonia and international recognition thereof without reestablishing direct contacts with the neighbors. The Republic of Macedonia must build the conditions for regional connections—economic, political, and cultural—with the neighboring countries and with the creation of the initial outlines of a possible customs, monetary, and economic Balkan pentagon or hexagon.

The Republic of Macedonia has to request membership in the NATO pact because of the danger of aggression. This is not contradictory to the plan for the demilitarization of



Macedonia because that is a long and complicated process, which will be accomplished in stages. Until then, Macedonia has to be protected.

The talents, experience, knowledge, and expertise of the Macedonian diplomatic corps, which up to now has maintained a distance concerning these questions, have to render great assistance to the Republic of Macedonia in this exceptional situation. Of particular assistance will be our emissaries abroad, the citizens who work temporarily in Europe and all to whom the Republic of Macedonia will turn with an appeal for joining forces at a crucial time and at a time when everyone's consciousness is called upon for assistance.

The disorientation present in Macedonian foreign policy today can be overcome—and it will be. The psychosis of quick expectations has to be relinquished. The psychosis of uncontrolled euphoria has to stop being built. It is time for us to get ourselves out of an irrational situation and to act responsibly toward our descendants tomorrow.

Macedonian unity, the unity of all citizens of Macedonia, is faced with a great historical test.

### **Macedonian Attitudes Toward Political System**

92BA1296A Skopje PULS in Macedonian 30 Jul 92 p 12

[Article by Olivera Petrova and Goce Georgievski: "Citizens of Skopje Sharpened for Election"]

[Text] *Every second person questioned declared himself for holding a new election immediately. Indeed, that is the only way the citizens will be a political factor again.*

Pluralistic democracy has existed in these parts for not quite two years, but the ordinary person is still far from feeling that he has made "close contacts" with politics, the parties, and their leaders. On the contrary, the majority of the people consider themselves to be totally marginalized. Participation in political life, in their opinion, is reduced only to voting, and they are not ashamed to acknowledge that they did not elect the best people. However, on the other hand, in the next election...

That is precisely what most interests the political parties, which first will have to acknowledge just how disenchanted the citizens are before they patch up the nets with which they will catch "political souls." What the politicians assume now, with scientific knowledge and verification, is confirmed—namely, the investigation conducted by the Student Investigating Team of the Philosophy Department of Skopje, under the leadership of Prof. Dr. Dimitar Mirchev, shows that few are satisfied with how political life functions. The fact that the investigation was carried out only in Skopje and that 200 people were questioned in no way devalues the result of the sounding because the responses obtained are fairly pragmatic for modern conditions.

The information that 40 percent of those questioned in the study, upon being questioned about the character and type of their political participation in conditions of a pluralistic democracy in our country, consider that they are only voters, 24 percent consider themselves to be sympathizers,

and 18 percent feel they are completely politically disinterested is quite illustrative of how the citizen in Skopje, at this time, participates in the political processes. According to Veberovski, the division of the citizens into politically active and passive subjects clearly illustrates the formula for leaders and followers as basic elements in every party. The division into three characteristic groups of participants follows from this: first, that tighter part that forms the leadership of the party and is interested in ensuring power in society; then, the ideological participants who are interested in the realization of certain objective purposes; and third, those participants whose goal is acquiring personal gain. Such a structure of the participants is recognized implicitly, even beyond the results obtained in the basic questioning in the project of the Institute for Sociology.

Of course, one must not have illusions that people questioned in the Netherlands, Belgium, or Sweden would answer these questions differently. However, the essential difference is something else. In these countries, there has been a stable and standard political and economic structure for many decades, in which the citizens participate to a degree and with a quality necessary for "obtaining" specific changes in this system. On the other hand, this does not mean that this participation would be the same in political "times" and situations similar to those in which we find ourselves at this moment. In particular, the statistical data that are obtained in the study in connection with this question cannot be treated as favorable, not only from the aspect of "the life and the work" of the individual political parties, but, first of all, in the context of the development of the parliamentary democracy as a whole.

The results of the study given in the conclusion show that the political parties in Macedonia will not be able to count on greater participation of the citizens in political life and to be more active in the parties until they more thoroughly analyze the integrative function of the organization, which, although it is formed with manifest and latent goals, simply cannot live without "water and sun"—respectively, without members and sympathizers. In the complex of questions that more directly relate to the parties, we point to the statistical data on the positions of those questioned in the study concerning the reasons that led them to decide in favor of a specific party in the election and the degree of "satisfaction" with that party today.

Approximately half of those asked (43.89 percent) were most attracted by the program decisions of the parties, while 21 percent of them expressed the opinion that they were especially "motivated" by the party leaders and their promises. Nothing is strange about this because the programs of the parties, with certain weaknesses and inconsistencies, were mainly well prepared, but the convictions of the leaders mainly consisted in their ability to use those verbs and nouns that at that moment had the best acceptance among the majority of the electorate.

As hard as it is to acknowledge the mistake that has been made, the statistical data that indicate that 40 percent of those asked are dissatisfied with the party for which they voted in the election and that 14 percent had no opinion are a clear indicator of the disenchantment of the voters. The

position of the second group of those questioned, who expressed a positive opinion about the party for which they voted (43.33 percent), if we may be permitted, could be placed under doubt.

Both this study and several others previously carried out in the Republic of Macedonia this year and last year (including studies by PULS Research Center) produced a "consensus" on the part of those questioned in favor of conducting a new election. Almost half of them expressed that it is necessary to begin with this immediately.

The reason for this opinion is to be found in the unqualified election of representatives (in questioning in which 10 modalities are offered, every fourth person questioned considered that the composition of the highest legislative body in the Republic of Macedonia needs to be changed).

Certainly those questioned in this study showed a high degree of self-criticism in considering that their personal participation in the functioning of the pluralistic democracy is not efficacious (50 percent of them specified this; 15 percent had no opinion; and 35 percent are still satisfied with their output).

Without doubt, one of the key questions in this study was the evaluation of those questioned concerning the realization of pluralistic democracy in practice. The greatest number of the respondents (38 percent) consider that it is still early to make such an evaluation. The diplomatic answer of these citizens, it seems, is more a result of expectation and hope for a better tomorrow than a real evaluation of the functioning of the multiparty democracy in our conditions. Again, those who decided to make an evaluation were not liberal with their compliments: Every third or fourth person questioned gave a negative evaluation of the way in which pluralism is manifested in practice. As consolation, we will remember that a similar question produced similar and even more striking results in a study that was conducted in East European countries (except on the territory of the former Yugoslavia) last year.

#### Summary of Graphs

##### 1. Participation of the Citizens in the Pluralistic Democracy

- Party voters: 40.56 percent
- Party members: 6.67 percent
- Party representative: 1.11 percent
- Party sympathizers: 24.44 percent
- Politically disinterested: 18.33 percent
- No answer: 8.89 percent

##### 2. Evaluation of the Realization of Pluralism in Practice

- Negative: 25.56 percent
  - Positive: 19.44 percent
  - Strongly negative: 7.22 percent
  - Strongly positive: 2.78 percent
  - No opinion: 6.67 percent
  - Early for such an evaluation: 38.33 percent
- ##### 3. Reasons for the Need for Early Elections
- Unqualified representatives: 25 percent
  - Incorrect handling of economy: 15 percent
  - Incorrect handling of policy: 8.89 percent
  - National orientation: 6.11 percent
  - We cannot evaluate: 17.78 percent
  - No opinion: 12.22 percent
  - Other: 11.68 percent

##### 4. Participation of the Citizens in Politics

- Ineffective: 40 percent
- Effective: 25 percent
- Very effective: 10 percent
- No opinion: 15 percent
- In general ineffective: 10 percent

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